



2004-2005 STATE WORKFORCE PLANNING REPORT COMMONWEALTH OF VIRGINIA

**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT
SEPTEMBER 30, 2004**

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INTRODUCTION

Workforce planning is not a new concept. In fact, it is an integral part of any organization's management of its human resources. Workforce planning is an effort to coordinate human resource management programs so that they support the strategic goals of the organization. Programs such as job evaluation, compensation management, performance management, training and development, and recruitment are all components of a successful workforce planning effort.

The focus of workforce planning is on current staffing issues as well as anticipated future staffing needs. The process involves assessing the current workforce in terms of whether or not its size is adequate, whether it is deployed effectively, and whether employees' competencies support high performance. The organization should identify employees or occupations with skill gaps or other performance problems and develop action plans to address them.

An organization anticipates future staffing needs by assessing the number of employees approaching retirement, turnover rates, programs that are growing or diminishing in importance, and areas that are being affected by technology changes. The next step is to determine the effect of anticipated staffing needs on staff competencies.

Plans for closing or avoiding skill gaps may include recruitment strategies; use of compensation tools; succession planning; and identifying learning resources and opportunities for retraining or cross training. Organizations and the labor markets are continuously changing, so the success of staffing strategies should be evaluated periodically and strategies revised as necessary.

This report has been prepared to summarize the Commonwealth of Virginia's current workforce planning issues and explain the reasons why they are important. It will also suggest options that may help state agencies to address workforce-planning challenges. The report focuses on classified employees, those subject to the Virginia Personnel Act.

The Department of Human Resource Management (DHRM) began to identify workforce planning as an important activity during a strategic planning session in 1998. Since that time, the workforce-planning program has gradually risen in importance. Efforts to date have been aimed primarily at increasing managers' awareness of the need for workforce planning so that agencies can respond to their staffing challenges more effectively.

The focus going forward will be on implementing strategies to ensure a continuing high level of performance by state agencies. DHRM plans to enhance web-based reports to support this effort, including additional trend analysis and flexibility for agencies to generate ad hoc reports.

HIGHLIGHTS OF FINDINGS

THE VIRGINIA POPULATION

- ✓ According to the U.S. Census, the Virginia **population** increased 14.4% from 1990 to 2000. Assuming that growth rate has continued, in 2004 there are 7,470,000 Virginians. The Virginia population has grown 20.7% since 1990, while state employment has grown 4.0%.
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STATE JOBS

- ✓ Over the last 14 years, the total **number of state employees** has increased from 108,132 to 112,455. Salaried employees in the Executive Branch increased by only 239 over that period. The number of classified employees declined from 75,155 to 71,363.
 - ✓ According to the Bureau of Labor Statistics, between 2002 and 2012, **government employment is expected to increase** by 11.8 percent, from 21.5 million to 24 million jobs in the U. S. (public education and hospitals are included in these estimates). State government educational services also are projected to grow 17.5 percent, adding 388,000 jobs. (See Appendix D)
 - ✓ **Skill requirements** for state jobs are increasing. There are only 51.9% as many Office Support Staff in 2004 as there were in 1991 and only 48.0% as many Maintenance and Service Workers. These decreases are primarily a result of new technology and outsourcing. The greatest growth has been in the Professional category, increasing from 15,971 to 20,346.
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STATE EMPLOYEE CHARACTERISTICS

- ✓ A summary of the **educational levels** of current classified employees indicates that 32.5% have a Bachelor's degree or higher; this percentage will likely continue to rise. The remaining 67.5% of classified employees have less than a college Bachelor's degree.
- ✓ The **average age** of classified employees on June 30, 2004 is 45.4 years. Only 5% of classified employees are currently 27 years old or younger. The number of classified employees 60 years old or older increased by 43.8% between May 1991 and June 2004.

- ✓ There has been a significant change in the **average service** of state employees over the last thirteen years. The numbers of employees with 0 to 5 years and those with 10 to 15 years have decreased, while the number with over 25 years of service has increased.
- ✓ There were 27,920 **new hires** between October 2000 and June 2004. This number is slightly higher, by 184, than the number of separations during the same period, 27,736. Many of those who left state service were recent hires, which results in high recruitment costs and difficulty in carrying out the agencies' missions.
- ✓ New hires are the employees who will develop into the seasoned **workforce of tomorrow**. It is encouraging that all of the twenty most populous job titles have had significant numbers of employees hired since September 2000.
- ✓ On June 30, 2004, there were 5,438 classified employees (7.6% of the total) **eligible for an unreduced retirement**. If no employees were to retire during the next five years, 14,985 (21.0% of classified employees) would be eligible for unreduced retirement in 2009. After ten years, 25,659, (36.0%) would be eligible.
- ✓ If the recent retirement rate continues, over the next ten years 15,860 more employees will have retired. Then, 9,799 remaining employees would be **eligible for full retirement on June 30, 2014**. That total is 4,361 higher than the number currently eligible.
- ✓ There are 105 roles with 100 or more employees. Ten percent or more of the employees in all of these **most populous roles will be eligible for an unreduced retirement** within the next ten years. For 45 of the roles, the percentage will be 40% or higher.

HUMAN RESOURCE PROGRAMS

- ✓ The Commonwealth has **human resource management programs** in place to support high performance. These programs address recruitment, training, performance, discipline and rewards. They are highly decentralized so that agencies are able to respond quickly when staffing challenges are identified. Constraints to these activities relate to funding, available skill sets in the labor market, the image of public service, and the perception of limited career and salary growth for state employees.
- ✓ A **survey of training activity** in 29 agencies indicated that during the 2004 fiscal year, attendance in courses, workshops, in-service sessions, and classes totaled 44,508. The number of different employees who attended these training sessions was 9,300, or 65.9% of the employees identified as eligible to participate in them. An additional 1,221 employees received reimbursement for educational tuition payments. Training expenditures for fiscal year 2004 totaled \$66,995,004 in all agencies.

- ✓ Agencies also were surveyed on workforce planning activities. A number of positive statements about workforce planning readiness were rated on a 1 to 4 scale, with 1 indicating strong agreement and 4 indicating strong disagreement. The overall average response was 1.98, which indicated agreement with the statements. The average is expected to move closer to 1 as workforce planning continues to receive increasing emphasis.
- ✓ A number of staffing strategies are available to state agencies. Most agencies are currently using compensation tools and rewards and recognition. Agencies are also using programs such as cross training; mentoring; and employing interns, wage employees, and volunteers.

STATE JOBS AT RISK

- ✓ The workforce planning survey asked agencies to identify job roles at risk for continued effective staffing. Job that were mentioned frequently included Registered Nurses and other health care jobs; information technology jobs; skilled trade workers; administrative specialists; and program administration specialists. Some lower-skill jobs were also identified as difficult to fill.
- ✓ Agencies have prepared workforce plans that also discuss jobs at risk. Among the jobs listed were engineering positions. Charge positions will require Professional Engineer licenses by 2010. Department of Social Services licensing positions were mentioned as being at risk due, in part, to the discontinuation of a training program formerly available through the Licensing Institute. Vocational evaluators in the Department of Rehabilitative Services will be required to be certified or have a Master's degree by 2008. Epidemiology positions in the Department of Health are at risk due to a lack of formal academic training programs. The Department for the Blind and Vision Impaired mentioned orientation and mobility instructor positions as hard-to-fill.
- ✓ Agency workforce plans identified 52 staffing issues. The issue most frequently identified (26 plans) was concern about the agencies' decreased or inadequate number of employees. Second in frequency (25 plans) was that demand for agency services has increased. Funding for salary increases and program administration were also listed frequently.

WORKFORCE PLANNING ISSUES

Workforce planning challenges are real and significant. State agencies and other employers have been successful in doing more with less in recent years, primarily through the use of technology. However, the combined effects of the aging workforce, increased workloads, and increasingly complex programs place limits on this phenomenon, particularly for occupations requiring advanced knowledge and experience. A number of events have combined to create the potential for a future staffing crisis.

Ten Things to Consider

- ❑ The average age of state employees has increased along with the general aging of the “baby boomer” generation.
- ❑ Some state agencies have been unable to hire replacements for employees who have left state service in recent years, reducing the opportunity for new employees to develop the skills needed for them to successfully replace the highly skilled workers who will retire in the future.
- ❑ In an atmosphere of doing more with less, agencies require fully proficient employees in order to fulfill their missions; therefore, where agencies have been able to hire replacements for employees who leave, they have had to hire highly experienced applicants, rather than less experienced workers who might be developing their skills and knowledge for the future; inexperienced workers produce less in terms of quantity and quality and they also reduce the productivity of the experienced workers who mentor them.
- ❑ State employees’ salaries are not keeping pace with compensation paid by other employers, resulting in a competitive disadvantage for state agencies and additional stress on the workforce.
- ❑ Many employees have not retired when they became eligible as a result of factors such as the cost of health insurance and medical care, low returns on investments, and the soft job market; this situation affects the age of the workforce and may affect its morale, productivity and healthiness. State retirement programs’ liabilities may decrease as a result of delayed retirements, but any savings may be offset by the increasing cost of providing health benefits.
- ❑ The soft job market has also resulted in more applicants for state job openings; mergers and acquisitions, outsourcing, and off-shoring jobs also have contributed to the availability of applicants. It is unknown whether or not this trend will continue over the long term.

- ❑ Training and development costs are often discretionary, so training efforts may have been limited in some agencies as a result of budget reductions.
- ❑ Having overextended employees can limit time that can be spent on activities that, while important, are not essential to day-to-day program administration- activities such as strategic planning, process documentation, innovation, information management, and knowledge transfer activities; these activities are essential for implementing staffing strategies for the future.
- ❑ While staff levels in many programs have been reduced, the number and complexity of state programs continue to increase; increasing mandates without staff increases results in increased stress on staff and may have a negative effect on morale, employees' health, and productivity.
- ❑ Increased security requirements for buildings and information systems may create additional obstacles to employees' effectiveness.

The events described above have impacted not only state agencies, but other employers as well. There is the potential for a shrinking supply of experienced workers throughout the labor market for high-skill occupations.

Conclusions

The Commonwealth is not an employer of choice for many occupations. State agencies have effectively identified their staffing issues and they have detailed a large number of strategies to address these issues. However, many state agencies do not have adequate staff or financial resources to meet the mandates of today or to use the tools at their disposal to ensure staffing success in the future. Agencies need additional funds to support hiring, employee development, motivation, and retention strategies.

The average current state employee has a high level of skill and experience and a strong commitment to providing effective services to the public. These employees may be difficult to replace in the future. As staff numbers are reduced and staff on board continue to age or to be replaced by less experienced workers, the increasing complexity of state programs will be particularly challenging.

Some jobs are already difficult to fill. The greatest risks to future staffing exist where a high percentage of workers in an occupation are likely to retire, where there is a high skill and/or experience requirement for replacements, where there are relatively few employees who have been developing replacement skills, and where the state's compensation levels are not competitive.

Agencies most frequently listed housekeeping and apparel workers, registered nurses, skilled trades workers, skilled administrative specialists and program specialists, information technology specialists, environmental specialists, and law enforcement officers as occupations with significant numbers of employees that are at risk of future staffing problems. As noted

above, tools are available to address these risks if resources are available to support them. For example, special salary adjustments have been approved for sworn staff of the Department of State Police in fiscal year 2005. Another example is a pilot program in the Department of Mental Health, Mental Retardation, and Substance Abuse Services for hiring foreign nurses.

There are other programs that can influence the success of future staffing efforts. Educational programs should focus on occupations where employees are in demand and on the skills that current and future employees will need to perform in them effectively. Phased retirement for state employees would provide an opportunity to maintain institutional knowledge and transfer knowledge to new employees gradually. However, this program's application is currently limited by Internal Revenue Service regulations.

WORKFORCE FACTS

POPULATION SERVED

Population Trend

According to the U.S. Census, the Virginia population in 2000 was 7,078,515. The population increased from 6,187,358 in 1990. That represents a total increase of 14.4% and an annual increase of 1.355%. Assuming that growth rate has continued, in 2004, there are now 7,470,000 Virginians. The Virginia population has grown 20.7% since 1990, while state employment has grown 4.0%.

NUMBER OF STATE EMPLOYEES

Current Employment

As of June 30, 2004, there were 92,844 full-time equivalent (FTE), salaried state employees in the Executive Branch. Of these, 71,363 are classified employees, covered by the Virginia Personnel Act. Among all Branches of government, there were 97,614 salaried employees and 14,841 temporary employees on June 30, 2004.

Employment Trend

Total FTE employment dropped from 115,361 to 112,455, or 2.5%, between December 31, 2001 and June 30, 2004. Among all Branches of government, the number of salaried employees decreased 2.7%, to 97,614; temporary employees decreased by 1.3%, to 14,841. The number of salaried employees in the Executive Branch decreased from 95,691 to 92,844 during that same period, a reduction of 2,847, or 3.0%. Employment declined in all but two Cabinet Secretarial areas.

In the 14 years since June 30, 1990, the FTE total number of state employees has increased from 108,132 to 112,455. This represents an increase of 4.0%, or 0.28% per year. Salaried employees in the Executive Branch increased by only 239 over the 14-year period.

Current Employees by Occupation

The Commonwealth's classified workforce is large and complex. There are 33 broad occupational roles with 500 or more employees, as listed in Table 1.

TABLE 1		
Classified Employment by Role		
Role Code	Role Title	Number of Employees June 2004
19013	Administrative and Office Spec III	8,634
69113	Security Officer III	7,178
19012	Admin and Office Spec II	3,783
49052	Direct Service Associate II	3,663
79152	Transportation Operator II	3,200
79071	Housekeeping &/or Apparel Worker I	1,769
19211	Program Administration Specialist I	1,747
79033	Trades Technician III	1,541
39112	Info Technology Specialist II	1,409
69072	Law Enforcement Officer II	1,301
39073	Engineering Technician III	1,252
19031	Financial Services Specialist I	1,221
69091	Probation Officer I	1,203
39113	Information Technology Specialist III	1,028
49012	Counselor II	967
49053	Direct Service Associate III	943
39051	Architect/Engineer I	851
69073	Law Enforcement Officer III	800
19212	Program Administration Specialist II	796
29143	Education Support Specialist II	752
39111	Information Technology Specialist I	745
49113	Registered II/Nurse Practitioner I/Physician's Asst	734
79034	Trades Technician IV	724
69114	Security Officer IV	713
29112	Trainer Instructor II	705
49112	Registered Nurse I	670
59032	Environmental Specialist II	666
59031	Environmental Specialist I	616
49111	Licensed Practical Nurse	599
19221	General Administration Supervisor I/Coordinator I	550
79211	Food Service Technician I	550
59074	Lab & Research Specialist II	539
59073	Lab & Research Specialist I	515

A total of 52,364 employees are assigned to these 33 roles as of June 30, 2004. They represent 73.4% of all classified employees on that date and they include a wide variety of occupations with varying skill requirements.

Trend by Occupation

Occupational Category

The table below compares the numbers of employees by major occupation category on May 31, 1991 with comparable numbers as of June 30, 2004.

TABLE 2			
Occupational Category	May 1991	June 2004	Change
Professionals	21.3%	28.5%	+7.2%
Protective Service	11.2%	14.3%	+3.1%
Paraprofessionals	14.0%	16.9%	+2.9%
Skilled Crafts Workers	7.9%	10.2%	+2.3%
Officials and Administrators	5.6%	6.2%	+0.6%
Technicians	9.6%	8.1%	- 1.5%
Maintenance and Service Workers	11.0%	5.1%	- 5.9%
Office Support Staff	19.6%	10.7%	- 8.9%

Table 2 clearly indicates the shift to jobs requiring higher skill levels. There are only 52.3% as many Office Support Staff in 2004 as there were in 1991 (changing from 14,617 to 7,639), and there are only 44.0% as many Maintenance and Service Workers (from 8,238 to 3,621). The greatest growth was in the Professional category, increasing from 15,971 to 20,346 (21.3% to 28.5% of the workforce).

There are currently 290 occupational roles to which classified positions are allocated. The current roles have been in place since the compensation program was reformed in September 2000. Since that time there have been minor adjustments to the role structure.

Roles With Decreased Employment

The number of employees assigned to 160 roles increased between September 2000 and June 2004. During that same period employment in 109 roles decreased. The remainder of the roles were unchanged. Tables 3A and 3B display, respectively, the roles with the largest percentage (minimum of 20%) and largest number changes (minimum of 50) in employees between September 2000 and June 2004. For the percentage table, roles with less than 50 employees in September 2000 are excluded.

TABLE 3A		
Roles With Decreased Employment (By Percentage Change)		
Role Code	Role Title	Employment Change September 2000 to June 2004
49171	Health Care Compliance Specialist I	-88.2%
79214	Food Service Manager I	-76.9%
79111	Retail Specialist I	-56.8%
79052	Equipment Service Repair Technician II	-39.5%

TABLE 3A (continued)		
Roles With Decreased Employment (By Percentage Change)		
Role Code	Role Title	Employment Change September 2000 to June 2004
39052	Architect/Engineer II	-39.2%
39072	Engineering Technician II	-31.5%
39011	Computer Operations Technician I	-28.8%
59033	Environmental Manager I	-27.8%
69116	Security Manager II	-26.0%
49093	Health Care Technologist II	-25.7%
19151	Procurement Officer I	-24.6%
69117	Security Manager III	-22.6%
59014	Agricultural Specialist IV	-20.6%

TABLE 3B		
Roles With Decreased Employment (By Number Change)		
Role Code	Role Title	Employment Change September 2000 to June 2004
19012	Admin and Office Spec II	-873
69113	Security Officer III	-621
49171	Health Care Compliance Specialist I	-531
79152	Transportation Operator II	-245
79214	Food Service Manager I	-227
39072	Engineering Technician II	-141
49012	Counselor II	-122
39073	Engineering Technician III	-107
69116	Security Manager II	-87
59032	Environmental Specialist II	-82
79052	Equipment Service Repair Technician II	-79
49052	Direct Service Associate II	-74
49111	Licensed Practical Nurse	-71
49112	Registered Nurse I	-71
39011	Computer Operations Technician I	-68
79111	Retail Specialist I	-67
39052	Architect/Engineer II	-65
19151	Procurement Officer I	-61
69114	Security Officer IV	-59
79051	Equipment Service Repair Tech I	-57
69091	Probation Officer I	-55

The lists above are similar, but not identical. For example, the role with the greatest reduction, Administrative Staff Specialist II, did not appear on the list with the greatest percentage reduction due to the large number of employees in this role. The reduction in this role is the result of support functions being assumed by other employees.

The reduction in the number of Health Care Compliance Specialist I positions was due largely to a change their allocation to Program Administration Specialist I. This change also explains the reason for the increased number of positions in the latter role, as indicated in the table below. Other reductions have resulted from a variety reasons, including downsizing and outsourcing.

Roles With Increased Employment

Tables 4A and 4B below show the roles with an increase in employment between September 2000 and June 2004.

TABLE 4A		
Roles With Increased Employment (By Percentage)		
Role Code	Role Title	Employment Change September 2000 to June 2004
79213	Food Service Technician III	+ 305.3%
19216	Program Administration Manager III	+ 266.2%
19211	Program Administration Specialist I	+ 112.3%
49172	Health Care Compliance Specialist II	+ 89.6%
39116	Info Technology Manager II	+ 67.3%
39112	Info Technology Specialist II	+ 57.3%
59073	Lab & Research Specialist I	+ 57.0%
39113	Information Technology Specialist III	+ 55.8%
59074	Lab & Research Specialist II	+ 55.8%
39054	Architecture/Engineering Manager II	+ 40.8%
19224	General Administration Manager II	+ 40.7%
19222	General Administrative Supervisor II/Coordinator II	+ 39.1%
59072	Lab & Research Technician	+ 37.1%
29051	Library Specialist I	+ 30.2%
19113	Land Acquisition & Property Management Agent III	+ 30.0%
79035	Trades Manager I	+ 29.5%
59034	Environmental Manager II	+ 28.6%
19221	Gen Admin Supervisor I/Coordinator I	+ 26.4%
29093	Public Relations & Marketing Specialist III	+ 26.2%
19071	Hearing Legal Services Officer I	+ 25.8%
49011	Counselor I	+ 25.7%
69034	Compliance/Safety Officer IV	+ 24.4%
79112	Retail Specialist II	+ 23.6%
59131	Scientist I	+ 23.0%
19212	Program Administration Specialist II	+ 23.0%
39115	Information Technology Manager I	+ 22.1%
29144	Education Support Spec III	+ 21.5%
69151	Emergency Coordinator I	+ 21.3%
19031	Financial Services Specialist I	+ 20.2%

TABLE 4B		
Roles With Increased Employment (By Number)		
Role Code	Role Title	Employment Change September 2000 to June 2004
19211	Program Administration Specialist I	+ 924
39112	Information Technology Specialist II	+ 513
19013	Administrative and Office Specialist III	+ 444
39113	Information Technology Specialist III	+ 368
79033	Trades Technician III	+ 217
19031	Financial Services Specialist I	+ 205
79071	Housekeeping &/or Apparel Worker I	+ 197
59074	Lab & Research Specialist II	+ 193
59073	Lab & Research Specialist I	+ 187
79213	Food Service Technician III	+ 174
19216	Program Administration Manager III	+ 173
19212	Program Administration Specialist II	+ 149
49053	Direct Service Associate III	+ 123
29143	Education Support Spec II	+ 120
19221	Gen Admin Supervisor I/Coordinator I	+ 115
29142	Education Support Specialist I	+ 99
49172	Health Care Compliance Specialist II	+ 86
39074	Engineering Technician IV	+ 85
19192	Auditor II	+ 72
29051	Library Specialist I	+ 70
79053	Equipment Service Repair Manager I	+ 64
39054	Architecture/Engineering Manager II	+ 62
19225	Gen Admin Manager III	+ 53
29144	Education Support Specialist III	+ 50

The table above indicates that growth is occurring for jobs with varied skill levels, but not those with the lowest skill requirements. Growth is occurring in jobs with higher-level administrative responsibilities as well as in those in health care and information technology. This trend is expected to continue.

Trend by agency

Employment by agency in September 2000 is compared with employment by agency in June 2004. While a longer period could be used, this period is consistent with the role information above. Also, programs are shifted among agencies from time to time, new agencies are formed, and employees are sometimes removed from the classified service. Therefore, a longer period might not produce more meaningful information. (The University of Virginia has been excluded from this analysis.)

Agencies With Decreased Employment

The number of classified employees in 31 agencies increased between September 2000 and June 2004, while 47 agencies decreased and 4 remained unchanged. The table below displays the agencies with the largest percentage (minimum of 15%) and largest number of changes (minimum of 30) in employees between September 2000 and June 2004.

TABLE 5A		
Agencies With Decreased Employment (By Percentage)		
Agency Code	Agency Title	Employment Change September 2000 to June 2004
232	Department of Minority Business Enterprises	-61.1%
151	Department of Accounts	-37.9%
405	Virginia Racing Commission	-28.6%
170	Human Rights Council	-25.0%
766	Virginia Parole Board	-25.0%
245	State Council of Higher Education	-24.0%
942	Virginia Museum of Natural History	-23.5%
239	Frontier Culture Museum of Virginia	-20.5%
148	Virginia Commission for the Arts	-20.0%
122	Department of Planning and Budget	-18.5%
202	Library of Virginia	-17.3%
751	Virginia Department For the Deaf & Hard of Hearing	-16.7%
408	Chesapeake Bay Local Asst Dept	-15.8%
423	Department of Historic Resources	-15.0%

TABLE 5B		
Agencies With Decreased Employment (By Number)		
Agency Code	Agency Title	Employment Change September 2000 to June 2004
701	Department of Corrections	-1,314
501	Department of Transportation	-780
777	Department of Juvenile Justice	-294
720	Department of Mental Health, MR, & SAS	-193
750	Department of Correctional Education	-93
301	Department of Agriculture & Consumer Services	-53
154	Department of Motor Vehicles	-52
151	Department of Accounts	-50
217	Radford University	-43
221	Old Dominion University	-42
411	Department of Forestry	-40
202	Library of Virginia	-34

The lists above are quite different. Some of the smaller agencies have had large percentage reductions, while the larger agencies have had greater numerical reductions.

Agencies With Increased Employment

Tables 6A and 6B below display the agencies with an increase in employment between September 2000 and June 2004.

TABLE 6A		
Agencies With Increased Employment (By Percentage)		
Agency Code	Agency Title	Employment Change September 2000 to June 2004
912	Department of Veterans Services	+394.1%
136	Virginia Information Technologies Agency	+ 66.7%
960	Department of Fire Programs	+ 64.7%
173	Department of Charitable Gaming	+ 42.9%
132	State Board of Elections	+ 36.8%
606	Virginia Board for People With Disabilities	+ 33.3%
127	Department of Emergency Management	+ 27.1%
223	Department of Health Professions	+ 25.4%
505	Department of Rail & Public Transportation	+ 19.2%
247	George Mason University	+ 16.2%
602	Department of Medical Assistance Services	+ 15.7%
157	Compensation Board	+ 15.0%

TABLE 6B		
Agencies With Increased Employment (By Number)		
Agency Code	Agency Title	Employment Change September 2000 to June 2004
136	Virginia Information Technologies Agency	+ 228
261	Virginia Community College System	+ 201
912	Department of Veterans' Services	+ 201
247	George Mason University	+ 159
156	Department of State Police	+ 135
182	Virginia Employment Commission	+ 114
161	Department of Taxation	+ 113
208	VPI & State University	+ 91
236	Virginia Commonwealth University	+ 88
765	Department of Social Services	+ 76
999	Department of Alcoholic Beverage Control	+ 65
602	Department of Medical Asst Services	+ 41
223	Department of Health Professions	+ 31
201	Department of Education	+ 30

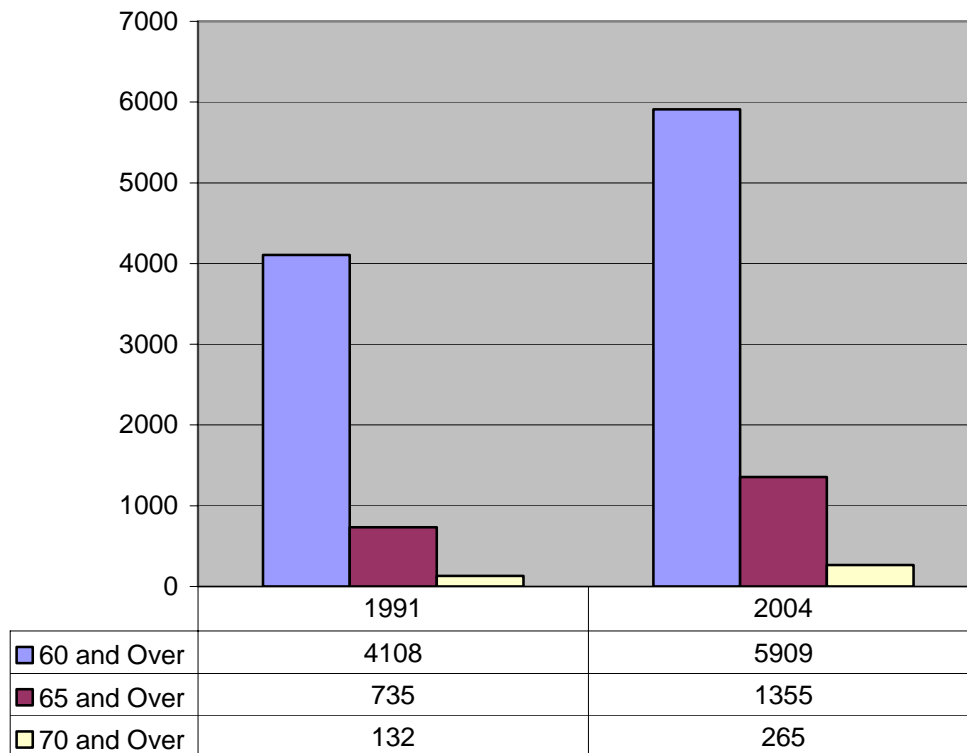
Agencies with most significant growth include those in higher education, law enforcement, and revenue generation. Employment in the Department of Veterans' Services increased due to its converting private, contracted employees of the Virginia Veteran's Care Center to state service. The Virginia Information Technologies Agency has grown primarily as a result of consolidation of selected information technology services from other agencies.

EMPLOYEE DEMOGRAPHICS

Current demographics for the state's classified workforce are available on the DHRM website. Demographic statistics as of June 30, 2004 are highlighted below. They are compared with similar statistics as of May 31, 1991, the oldest date for which comparable data is available.

Age

The average age of classified employees in May 1991 was 41. The first quartile was 33 years of age, so that one-fourth of classified employees were at or below that age. By June 30, 2004, the average age had risen to 45.4 years and the first quartile rose to 38. Only 5% of classified employees are currently 27 years old or younger.

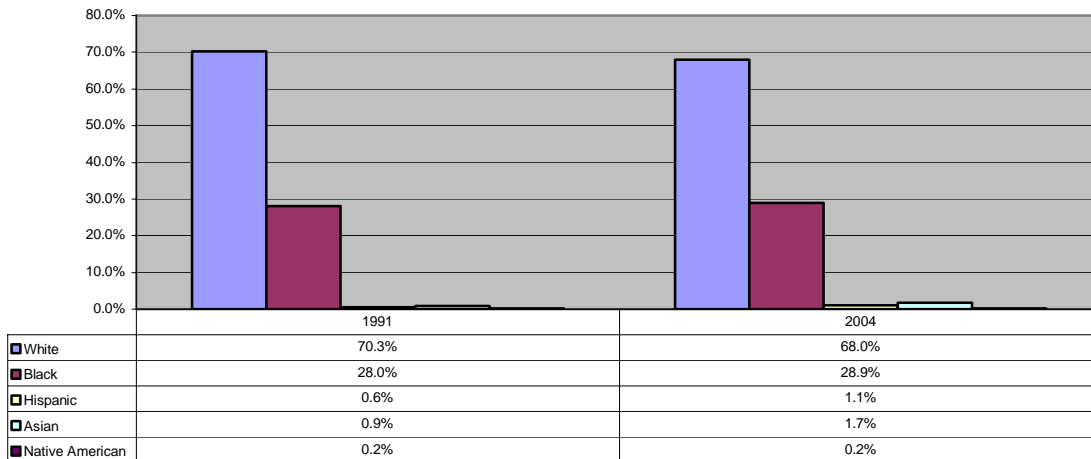


The total number of classified employees declined from 75,155 in May 1991, to 71,363 in June 2004. However, during that same period, the number of classified employees 60 years old or older increased from 4,108 to 5,909, an increase of 43.8%. The number 65 years old or older increased from 735 to 1,355 (84.4%) and the number 70 years old or older increased from 132 to 265 (100.8%). This trend is likely to continue as the average age of the workforce increases.

Race

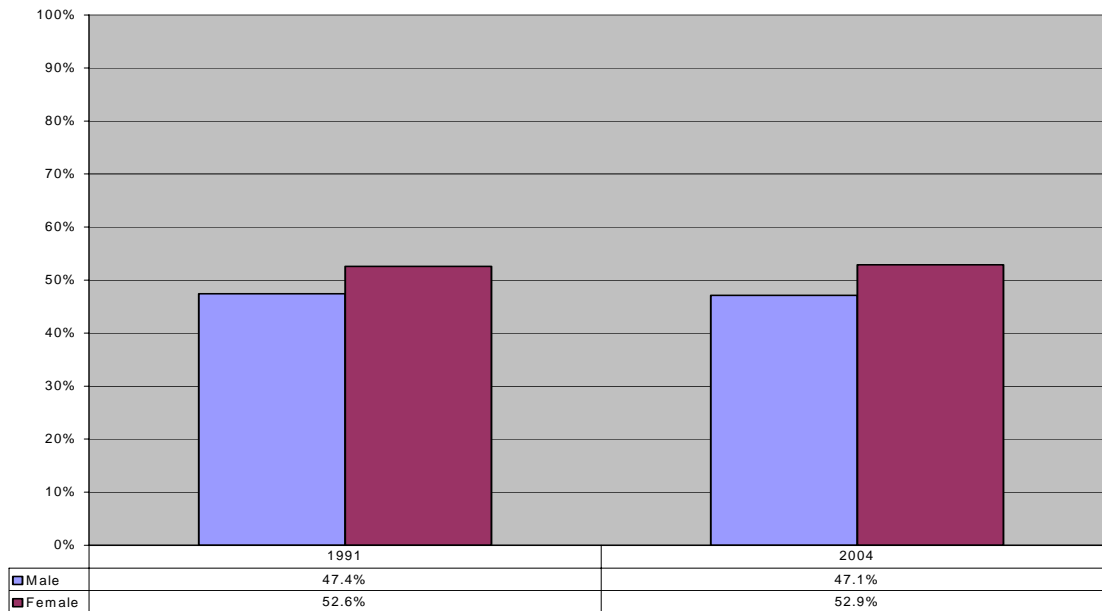
The distribution of classified employees by race has changed somewhat since May 31, 1991. On that date, 70.3% of the employees were White, 28.0% were Black, 0.6% Hispanic, 0.9% Asian, and 0.2% Native American.

By June 30, 2004, the percentage of White employees had dropped to 68.0%, while the percentage Black increased to 28.9%, Hispanic 1.1%, and Asian 1.7%. The Native American percentage remained at 0.2%. This trend is likely to continue as it reflects the changing demographics of the population.



Gender

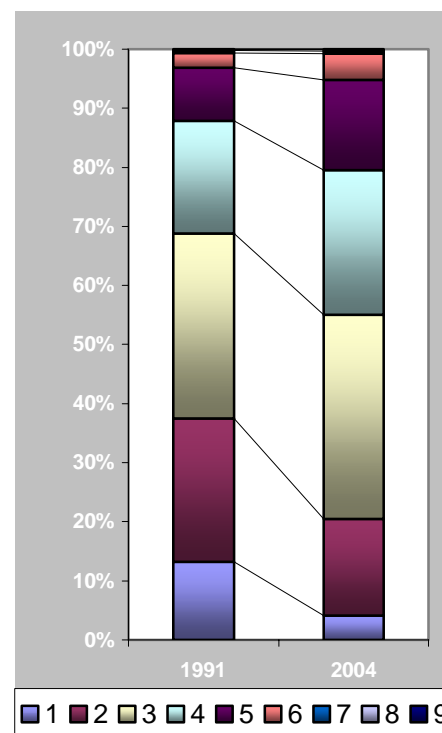
There has been little change in the gender distribution of the classified workforce during the reference period. In May 1991, 52.6% of the employees were female and 47.4% were male. By 2004, the percentage of female employees increased to 52.9% and the percentage of male employees decreased to 47.1%. This stability was achieved even though there was a significant reduction in traditionally female-dominated office support personnel and an increase in traditionally male-dominated public safety positions.



Pay Band

The current pay band system was not in effect in 1991. However, the distribution is comparable because the pay bands were created by grouping the former salary grades. Table 7 below shows the comparison.

TABLE 7 Percentage of Employees by Pay Band		
Pay Band	May 1991	June 2004
9	0.0%	0.0%
8	0.2%	0.3%
7	0.4%	0.5%
6	2.5%	4.4%
5	9.0%	15.3%
4	19.1%	24.5%
3	31.3%	34.5%
2	24.2%	16.4%
1	13.2%	4.1%



The distribution of employees by pay band reflects the reduction of jobs in pay bands one and two, those typically requiring relatively low skill levels, which has been accomplished through technology and outsourcing. Increasing skill requirements for the remaining workforce have a direct impact on workforce planning.

Salary

The average salary of classified state employees on June 30, 2004 is \$35,467. The median is \$31,902 and the inter-quartile range is \$25,877 to \$41,143. The average salary has increased 50.4%, from \$23,589, since May 31, 1991. The median increased 51.3%, from \$21,079. The inter-quartile range in 1991 was \$16,870 to \$27,538. The increases in the salary measures are influenced by salary increases that are granted to employees, turnover, and changes in the job mix of employees. For example, the reduction in low-skill jobs noted above has accelerated the central tendency measures of salaries. According to the Bureau of Labor Statistics, between 1991 and 2004, the cost of living has increased by 39.1%.

Average Current Service

In May 1991, the average continuous service for classified employees was 10.0 years; the median was 7.5 years. In 2004, the average is 11.4 years and the median is 8.0 years. The distribution of employees by 5-year intervals for 1991 and 2004 are indicated below.

TABLE 8		
Percentage of Employees by Length of Service		
Years of Service	May 1991	June 2004
0-4.9	38.4%	33.2%
5-9.9	18.1%	19.5%
10-14.9	17.7%	12.6%
15-19.9	12.2%	13.2%
20-24.9	7.3%	7.4%
25-29.9	4.0%	8.5%
30-34.9	1.7%	4.0%
35-39.9	0.5%	1.3%
40 & Over	0.1%	0.3%

There has been a significant shift in the average service distribution over a relatively short time period. The most dramatic changes are the decrease in numbers of employees in the 0-5 and 10-15 year groups and an increase in the percentage of employees with over 25 years of service. The 0-5 year group is indicative of the hiring and retention of new employees, while the 10-15 year group includes fully skilled and experienced workers. The groups of employees with over 25 years of service include many employees who are eligible, or nearly eligible for an unreduced retirement.

EMPLOYEES APPROACHING RETIREMENT

Current and Projected Retirement Eligibility

On June 30, 2004, there were 71,363 classified employees in Virginia. Of this total, 5,438 (7.6%) were eligible for an unreduced retirement on that date. Assuming no retirements occur during the next five years, at the end of that five-year period, 14,985, or 21.0% of classified employees will be eligible for unreduced retirement. If ten years pass with no retirements, 25,659, or 36.0%, of classified employees will be eligible for full retirement.

In reality, some retirements will occur during the next five or ten years. Information on recent retirements is available for the period October 2000 to June 2004. During that period, there were 5,946 retirements, an annualized average of 1,586 per year. Of the 5,946, there were 628 disability retirements, 370 retirements resulting from layoffs, and 4,948 regular service retirements.

If retirements were to continue at the rate of the last three years and nine months, over the next ten years 15,860 employees would have retired by the end of the period. There is evidence that the rate is not declining; there were 1,671 retirements during the twelve months ending June 30, 2004. This is an increase compared with the four-year average. If 15,860 retire, the result would be that 9,799 employees would be eligible for full retirement on June 30, 2014. That total is 4,361 higher than the number currently eligible, 5,438.

Projected Retirement Eligibility by Role

Table 9 below lists some of the individual roles that are most vulnerable to retirements over the next ten years. Only roles with 100 or more employees are included. There were actually 20 other low-population roles that will have 100% of their employees eligible to retire within ten years. The listed roles have a total of 4,588 employees, or 6.4% of classified employees. Most of the roles with the highest percentages are management roles. This is positive in that managers may be replaced by staff promotions, but it will create challenges for management training and development.

There are 105 roles with 100 or more employees. All of these roles will find 10% or more of their employees eligible for an unreduced retirement within the next ten years. For 45 of the roles, the percentage is 40% or higher. Overall, 23,520 (35.4%) of the 66,389 employees in these roles will be eligible for retirement within ten years.

TABLE 9				
Role Code	Role Title	Number Eligible to Retire in 10 Years	Total Number of Employees	Percent Eligible to Retire in 10 Years
69075	Law Enforcement Manager II	152	180	84.4%
69116	Security Manager II	185	247	74.9%
69092	Probation Officer II	106	142	74.6%
79155	Transport Operations Manager II	193	284	68.0%
19225	Gen Admin Manager III	68	102	66.7%
69074	Law Enforcement Officer III	144	222	64.9%
19215	Program Administration Manager II	155	242	64.0%
59091	Minerals Specialist I	73	114	64.0%
69073	Law Enforcement Officer III	507	800	63.4%
19224	Gen Admin Manager II	93	152	61.2%
19035	Financial Services Manager II	66	111	59.5%
79035	Trades Manager I	79	136	58.1%
19216	Program Administration Manager III	136	238	57.1%
69115	Security Manager I	219	397	55.2%
79073	Housekeeping &/or Apparel Manager I	64	117	54.7%
39054	Architect/Engineering Manager II	116	214	54.2%
19223	General Administrative Manager I	115	216	53.2%
79154	Transport Operations Manager I	212	406	52.2%
19112	Land Acquisition & Property Management Agent II	75	144	52.1%
39074	Engineering Technician IV	63	124	50.8%

TURNOVER

Since the compensation program was redesigned in September 2000, there have been 27,736 separations of classified state employees. Over the forty-five month period, the annualized turnover rate, as a percentage of the 71,363 classified employees on June 30, 2004, was 10.37%.

Service of Separating Employees

The largest number of employees separating from state service beginning October 2000 and ending June 2004 had between one and five years of service. Of the total 27,736 separations during the period, 11,867, or 42.8%, were in this service group.

TABLE 10	
Length of Service	Number of Separations October 2000 to June 2004
Less Than 1 Year	830
1 TO 4.9 Years	11,867
5 TO 9.9 Years	6378
10 TO 14.9 Years	2195
15 TO 19.9 Years	1757
20 TO 24.9 Years	989
25 TO 29.9 Years	1368
30 Years & Over	2352

Separating Employees by Role

Since September 2000, there have been separations from virtually every job role. However, over one-half (54.7%) of the separations were in the ten roles listed below. The highest numbers are not in roles requiring advanced education. However, there is a significant cost of continuously recruiting for these jobs and the separations create challenges for agencies trying to provide effective services.

The appearance of licensed practical nurses and registered nurses on the list supports information that the agencies have provided indicating that staffing for these positions continues to pose problems.

TABLE 11				
Role Code	Role Title	Separations October 2000 to June 2004	Total Number of Employees	Percentage of Employees
69113	Security Officer III	4,325	7,178	60.3%
49052	Direct Service Associate II	2,921	3,663	79.7%
19013	Administrative Program Specialist III	2,460	8,634	28.5%
19012	Administrative Program Specialist II	1,583	3,783	41.8%
79071	Housekeeping &/or Apparel Worker I	1,036	1,769	58.6%
79152	Transportation Operator II	819	3,200	25.6%
49053	Direct Service Associate III	548	943	58.1%
49111	Licensed Practical Nurse	535	599	89.3%
49113	Registered Nurse II / Nurse Practitioner I / Physician's Assistant	503	734	68.5%
69091	Probation Officer I	434	1,203	36.1%
49112	Registered Nurse I	427	670	63.7%

Separating Employees by Agency

Approximately three-fourths (75.7%) of all separations from October 2000 through June 2004 have been in the ten agencies listed below. They account for 20,988 of the 27,736 total

separations. Almost one-half (13,624) were in the three largest agencies, listed first in the table below. (University of Virginia information is excluded from this analysis.)

TABLE 12				
Agency Code	Agency Name	Separations October 2000 to June 2004	Number of Classified Employees	Percentage of Employees
720	Department of Mental Health, MR, & SAS	5,627	9,039	62.3%
701	Department of Corrections	5,536	11,488	48.2%
501	Department of Transportation	2,461	9,362	26.3%
208	VPI & State University	1,658	3,526	47.0%
777	Department of Juvenile Justice	1,353	2,158	62.7%
236	Virginia Commonwealth University	1,154	2,258	51.1%
601	Department of Health	1,130	3,479	32.5%
261	Virginia Community College Sys	848	2,525	33.6%
156	Department of State Police	673	2,547	26.4%
247	George Mason University	548	1,138	48.2%

Separating Employees by Reason

Another way to view separations is in terms of the reasons why employees left state service. The table below includes all of the reasons why employees have separated during the October 2000 to June 2004 period and number of separations in each category.

TABLE 13	
Reason For Leaving	Separations October 2000 to June 2004
Resign: Better Job	6,457
Resign: Other	6,227
Service Retirement	4,948
Removed: Unsatisfactory Performance During Probation	1,406
Resign: Leaving Area	1,399
Resign: During Probation	1,341
Removed: Violation / Conduct	1,144
Resign: Home Responsibilities	741
Resign: School	654
Disability Retirement	628
Resign: Dissatisfied	560
Death	476
Enhanced Retirement	358
Resign: Ill Health	333
Separation: Layoff Leave Expired	256
LTD Separation	241
Removed: Fail Report After Leave	140
Separation: Completed Limited Appointment	94

TABLE 13 (continued)	
Reason For Leaving	Separations October 2000 to June 2004
Separation: Layoff	86
Removed: Not Adapted For Work	85
Removed: Neglect of Duty	59
Resign: Military Service	53
Transfer To Local	22
Transfer To Exempt Agency	16
Retirement in Lieu of Layoff	12

The table above indicates that many employees are resigning for other jobs (6,457). The “Resign: Better Job” category of separations is considered one of the best indicators that state salaries may not be competitive. In addition, many of those reported as “Resign: Other” may also have left for better jobs. These statistics support agencies’ statements that salaries are not competitive, at least for some state jobs. The third highest total (4,948) is for service retirements. This number is indicative of the aging state workforce, but it is not high enough to cause alarm at this point in time.

HIRING

New Hires by Agency

There were 27,920 new hires (including rehires) between October 2000 and June 2004. This number is slightly higher, by 184, than the number of separations during the same period, 27,736.

The agencies listed below hired 500 or more employees during the reference period. New hires in these agencies totaled 21,678, or 77.6% of all hires during the period. The list tracks closely with the list of agencies with large numbers of separations during the same period. However, three of the agencies hired fewer employees than were separated. The Department of Corrections headed this list with 954 more separations than new hires. The Department of Transportation had 399 fewer hires, and the Department of Juvenile Justice had 176 fewer hires than separations.

TABLE 14				
Agency Code	Agency Name	Hires October 2000 to June 2004	Number of Classified Employees	Percentage of Employees
720	Department of Mental Health, MR, & SAS	5,778	9,039	63.9%
701	Department of Corrections	4,582	11,448	40.0%
501	Department of Transportation	2,062	9,362	22.0%
208	VPI & State University	1,852	3,526	52.5%
236	Virginia Commonwealth University	1,328	2,258	58.8%
601	Department of Health	1,192	3,479	34.3%
777	Department of Juvenile Justice	1,177	2,158	54.5%
261	Virginia Community College System	1,113	2,525	44.1%
156	Department of State Police	772	2,547	30.3%
247	George Mason University	756	1,138	66.4%
765	Department of Social Services	541	1,569	34.5%
154	Department of Motor Vehicles	525	1,884	27.9%

New Hires by Role

Roles with the largest number of hires between October 2000 and June 2004 also parallel the list of roles with the highest numbers of separations. The thirteen roles listed below experienced 17,301 new hires during the period, or 62.0% of all new hires.

TABLE 15				
Role Code	Role Title	Hires October 2000 to June 2004	Number of Classified Employees	Percentage of Employees
69113	Security Officer III	4,235	7,178	59.0%
49052	Direct Service Associate II	3,306	3,663	90.3%
19013	Administrative Program Specialist III	2,572	8,634	29.8%
19012	Administrative Program Specialist II	1,790	3,783	47.3%
79071	Housekeeping &/or Apparel Service Worker I	1,113	1,769	62.9%
79152	Transportation Operator II	836	3,200	26.1%
69072	Law Enforcement Officer II	629	1,301	48.3%
49053	Direct Service Associate III	515	943	54.6%
49111	Licensed Practical Nurse	506	599	84.5%
49112	Registered Nurse I	489	670	73.0%
49113	Registered Nurse II / Nurse Practitioner I / Physician's Assistant	443	734	60.4%
19211	Program Administration Specialist I	438	1,747	25.1%
39112	Information Technology Specialist II	429	1,409	30.4%

There were 385 more hires in the role Direct Service Associate II than there were separations during the same period. The next highest net change (+207) was Administrative Program Specialist II. The highest net loss among these roles was a decrease of 90 for the Security Officer III role.

It is important for the health of the state organizations for them to be able to continue hiring new employees. These are the employees who will develop into the seasoned workforce of tomorrow. The twenty most populous job roles are listed in Table 16 below, along with the number and percentage of *current* employees who were hired since September 2000. Many of the roles listed in Table 16 are the same as those with the greatest number of hires in Table 15.

TABLE 16				
Role Code	Role Title	Total Number of Employees	Current Employees Hired October 2000 to June 2004	Percent Hired October 2000 to June 2004
19013	Administrative and Office Specialist III	8,634	1,853	21.5%
69113	Security Officer III	7,178	2,313	32.2%
19012	Administrative and Office Specialist II	3,783	959	25.4%
49052	Direct Service Associate II	3,663	1,534	41.9%
79152	Transportation Operator II	3,200	574	17.9%
79071	Housekeeping &/or Apparel Worker I	1,769	564	31.9%
19211	Program Administration Specialist I	1,747	467	26.7%
79033	Trades Technician III	1,541	283	18.4%
39112	Information Technology Specialist II	1,409	351	24.9%
69072	Law Enforcement Officer II	1,301	518	39.8%
39073	Engineering Technician III	1,252	93	7.4%
19031	Financial Services Specialist I	1,221	277	22.7%
69091	Probation Officer I	1,203	241	20.0%
39113	Information Technology Specialist III	1,028	168	16.3%
49012	Counselor II	967	214	22.1%
49053	Direct Service Associate III	943	298	31.6%
39051	Architect/Engineer I	851	168	19.7%
69073	Law Enforcement Officer III	800	9	1.1%
19212	Program Administration Specialist II	796	204	25.6%
29143	Education Support Specialist II	752	243	32.3%

It is encouraging that all of the top twenty roles have significant numbers of newer employees. These roles include 44,038 employees, 61.7% of all classified employees. The total number of recent hires, in all roles, is 17,194, or 24.1% of classified employees.

There are a number of roles that have few or no current employees who were hired since September 2000. However, these roles tend to be for higher-level technical or managerial jobs, which are often filled from within the agencies. Therefore, they do not indicate a reason for concern at this time.

MARKET COMPARISON

Compensation adjustments for state employees have been inconsistent over the last twenty years as the result of changing compensation programs and periodic budget crises. However, the state's funded salary increases have kept pace with changes in the Consumer Price Index over the most recent ten, twenty, and thirty years. In addition, the current compensation program provides agencies with a variety of tools to address staffing problems, employee development, and salary alignment concerns using internal funds that become available through operating efficiencies or staff turnover. Benefits available to state employees are a source of competitive advantage compared to the benefits provided by many other employers.

DHRM conducts an annual assessment of the competitiveness of state salaries. A part of this process is a comparison of average state salaries with private industry salaries for selected occupations. The private industry salaries are collected each spring and published by Watson Wyatt Worldwide. State employees' salaries as of September 1, 2004 are used for comparison. The 2004 review indicates that the average deviation for the twenty-five occupations is 20.96%. The corresponding number was 20.79% in 2003.

Thirteen of the twenty-five jobs had deviations that were higher than the average. They are listed below, in order by deviation. Job titles are those used by Watson Wyatt Worldwide. The deviation for each job represents the percentage that the Virginia average salary would need to be increased in order to equal the private industry average.

TABLE 17			
Occupation	Private Industry Average Salary	Average Virginia State Salary	Deviation
Attorney	\$ 90,300	\$ 46,769	-93.08%
Cook	\$ 34,800	\$ 22,338	-55.79%
Yard Labor/Janitorial Supervisor	\$ 42,700	\$ 28,621	-49.19%
Truck Driver, Light	\$ 26,000	\$ 18,864	-37.83%
Security Guard, Unarmed	\$ 26,900	\$ 20,322	-32.37%
Chemist	\$ 62,400	\$ 47,498	-31.37%
Maintenance Electrician	\$ 41,100	\$ 31,323	-31.21%
Secretary	\$ 32,800	\$ 25,935	-26.47%
Marketing Specialist	\$ 43,800	\$ 35,019	-25.07%
Civil Engineering Supervisor	\$ 90,400	\$ 72,425	-24.82%
Cashier	\$ 30,000	\$ 24,617	-21.87%
Internal Auditor	\$ 61,500	\$ 50,671	-21.37%
Systems Analysis Supervisor	\$ 80,000	\$ 66,095	-21.04%

As the table illustrates, state salaries for some jobs are far behind the market. The individual deviations are influenced by factors such as the internal alignment of jobs and the varying markets for the various jobs. This market data is used in conjunction with other staffing measures to identify occupations where compensation strategies are most needed.

Since November 2000, the average salary of classified state employees in Virginia has risen from \$34,278 to \$35,482, or 3.51%, while employers throughout the nation have funded average performance increases of 15.74%. By the end of calendar year 2005, cumulative salary increases for other employers since November 2000, are expected to total 19.33%.

Including the 3.0% performance increase effective November 25, 2004, classified state employees' salaries will have increased by approximately 6.62% over the same period. Thus, other employers' salaries will have increased by 11.92% more than Virginia classified employees' salaries between November 2000 and December 2005.

TABLE 18		
Calendar Year	Private Industry Market Movement	Virginia Employees' General Salary Increase
2001	4.32%	No Increase
2002	3.67%	No Base Increase
2003	3.48%	2.25% Performance Increase
2004	3.42%	3.0% Performance Increase
2005	3.10%	To Be Determined

QUALIFICATION REQUIREMENTS

Qualification requirements for recruitment are determined by agencies, often tailored to the responsibilities of individual positions. There are currently no statistics available that summarize the educational and experience requirements of recruited positions. However, there is information on current employees' educational attainment. Agencies are not required to enter this information into the Personnel Management Information System (PMIS), but information is provided for 33,036 (46.3%) of the 71,363 classified employees on file as of June 30, 2004. The available information should be typical of the workforce, generally.

Overall, 67.5% of the employees with degree codes indicated have less than a college Bachelor's degree. Of those, 37.6% have a high school education or less, while 29.9% have taken some college courses. The remaining 32.5% of employees have a Bachelor's degree or higher. This percentage includes employees with a Bachelor's degree (21.3%), a Special Professional degree (1.6%), a Master's degree (8.0%), or a Doctorate (1.6%).

Among employees with less than a Bachelor's degree, the largest numbers were in the job roles of Security Officer III (3,123 employees), Transportation Officer II (2,902), Administrative and Office Specialist III (2,668), Direct Service Associate II (1,612), Administrative and Office Specialist II (1,267), and Engineering Technician III (947). Together,

these six roles include 12,519 employees with less than a Bachelor's degree, 37.9% of all employees in this degree grouping.

For employees with a Bachelor's degree or higher, the highest numbers were Administrative and Office Specialist III (778 employees), Program Administration Specialist I (451), Architect Engineer I (394), Probation Officer I (390), Information Technology Specialist II (358), and Information Technology Specialist III (299). A total of 2,670 employees in these job roles have a Bachelor's degree or higher, 24.9% of all employees in this grouping.

Interestingly, the Administrative and Office Specialist III role appears on both lists, with a high number of employees with less than a Bachelor's degree and a high number with a Bachelor's degree or higher. This job role provides a career track for operational and administrative support specialists, such as fiscal technicians, human resource assistants, claims technicians, medical records technicians, procurement technicians, licensing specialists, customer services representatives, executive secretaries, administrative assistants, office supervisors, and facilities coordinators. Duties range from journey-level to supervisory level and some positions include compliance assurance, report writing, reconciliation of information or financial data, records management, scheduling, claims review and processing, data collection and analysis, research, inventory, budget management, personnel administration, and funds collections or expenditures.

Looking at individual degree levels, jobs with the highest numbers of employees with Bachelor's degrees on June 30, 2004 include the following:

TABLE 19				
Role Code	Role Title	Employees With Bachelor's Degree	Number of Employees With a Degree Code	Percent With This Degree
19013	Administrative and Office Specialist III	553	3,446	16.0%
19211	Program Administration Specialist I	339	762	44.5%
69091	Probation Officer I	333	450	74.0%
39051	Architect/Engineer I	278	638	43.6%
39112	Information Technology Specialist II	262	621	42.2%
19031	Financial Services Specialist I	222	530	41.9%
39113	Information Technology Specialist III	219	487	45.0%
69072	Law Enforcement Officer II	192	732	26.2%

The Probation Officer I role has the highest percentage of employees with Bachelor's degrees among this group, 74.0% of all employees in this job. There are several job roles where the numbers of employees are small but the percentage of employees with Bachelor's degrees is 100%.

There are fewer state employees with Master's degrees; 2,632 (8.0%) of the 33,036 employees with degree codes assigned have this degree level. The eight job roles with the highest numbers of Master's degree-holders are displayed below:

TABLE 20				
Role Code	Role Title	Employees With Master's Degree	Number of Employees With a Degree Code	Percent With This Degree
19212	Program Administration Specialist II	122	350	34.9%
19013	Administrative and Office Specialist III	113	3,446	3.3%
49012	Counselor II	111	326	34.0%
39051	Architect/Engineer I	108	638	16.9%
19211	Program Administration Specialist I	101	762	13.3%
29112	Trainer Instructor II	87	247	35.2%
39112	Information Technology Specialist II	80	621	12.9%
39113	Information Technology Specialist III	69	487	14.2%

These jobs include 791 employees with Master's degrees, 30.1% of all employees with this degree level. The Program Administration Specialist II has the highest percentage (34.9%) of its employees with this degree level among the listed group of jobs, as well as the highest number of employees.

A relatively small number of classified employees have Doctorate degrees. Only 537 (1.6%) are coded with this degree level. Of that number, 242 (45.1% of the 537) were assigned to the job roles listed below:

TABLE 21				
Role Code	Role Title	Employees With Doctorate Degree	Number of Employees With a Degree Code	Percent With This Degree
19013	Administrative and Office Specialist III	71	3,446	2.1%
49152	Physician II	41	51	80.4%
79152	Transportation Operator II	35	3,042	1.2%
49212	Psychologist II	27	61	44.3%
29131	Education Coordinator I	16	107	15.0%
19212	Program Administration Specialist II	13	350	3.7%
19012	Administrative and Office Specialist II	13	1,499	0.9%
69113	Security Officer III	13	3,368	0.4%
29135	Education Administrator III	13	40	32.5%

Among this group, 80.4% of the Physician II employees have a Doctorate degree. The Psychologist II has the next highest percentage among the group, 44.3%. Overall, there are 22 job roles with 25% or more of their employees having Doctorate degrees.

TRAINING STATISTICS

State agencies have active training, development, and education programs in place. A recent DHRM survey generated responses from 29 agencies. These 29 agencies account for 19,710 (27.6%) of the state's classified workforce.

In those agencies, during the fiscal year ending June 30, 2004, attendance in courses, workshops, in-service sessions, and classes totaled 44,508. The number of different employees who attended these training sessions was 9,300, or 65.9% of the 14,109 employees identified as eligible to participate in them. Another 1,221 employees received reimbursement for educational tuition payments.

The largest number of training sessions (16,717) was provided for legal compliance and occupational safety. Other large numbers of sessions were held for technical processes and procedures (13,401), information technology skills (3,285), and personal assessment, development, and growth (2,269). An additional 2,264 training sessions were held for managerial and supervisory skills development. A high percentage of the training sessions (36,032, or 81.0%) were provided to employees in the Officials and Administrators occupational category. The next largest group was Professionals, with 5,592 sessions, or 12.6% of all training sessions.

More males than females in these agencies attended training sessions. The number of sessions attended by males was 33,216, or 74.6% of all sessions. Females attended 11,292, or 25.4%, of the training sessions. Among employees who were granted tuition reimbursement, 615 (50.4%) were female, compared with 606 (49.6%) who were male.

In addition to training and development programs operated by state agencies, the Commonwealth operates three senior management leadership programs that are available across the state, including: Virginia Executive Institute (VEI), Commonwealth Management Institute (CMI), and Certified Managers Program (CPM).

Total expenditures on training during fiscal year 2004 were \$66,995,004. The largest amounts were spent on training incidentals, training fees and materials, and organizational memberships. The level of expenditures, even during a time of limited financial resources, indicates the importance that state agencies give to training activities.

TABLE 22	
Training Expenditures in FY2004	
Training Expenditure Category	Amount
Organizational Memberships	\$ 12,876,925.43
Publications & Subscriptions	\$ 5,359,083.30
Training Fees & Materials	\$ 19,575,272.88
Tuition Reimbursement	\$ 1,223,419.93
Training/Consulting	\$ 4,273,923.96
Training Incidentals	\$ 21,232,539.41
Performance Management	\$ 2,453,839.09
Total	\$ 66,995,004.00

AGENCY WORKFORCE PLANNING ACTIVITIES

SURVEY OF AGENCIES

In May 2004, a survey was conducted of state agencies' human resource officers to determine their readiness for workforce planning challenges, to raise their awareness of workforce planning issues, to help guide them in preparing their workforce plans, and to identify areas where they have experienced staffing problems.

Agencies' Readiness

Questions in Part One of the survey made positive statements related to workforce planning and asked agencies to respond to each with a value of 1 (strongly agree), 2 (somewhat agree), 3 (somewhat disagree), or 4 (strongly disagree). Therefore, a score near 1 indicated a high state of readiness by the agency.

The average score for the statement "agency workforce plan is current and complete" was 2.74, indicating that many agencies had not prepared a recent workforce plan at the time of the survey. However, since the survey was conducted, current plans have been developed by most agencies. As of the date of this report, 61 plans have been received by DHRM. Highlights of these plans are discussed in the next section of this report.

Statements that indicated a high state of readiness (average response of 1.5 or less) included "agency salary administration plan is current," "agency has been organized to enhance agency accomplishments," and "key positions have been identified." Statements that indicated a relatively low state of readiness (average response of 2.5 or higher) included "exceptional incentive options are used to fill hard-to-fill position" and "succession strategies exist for key positions."

The overall average survey response was 1.98, which indicated general agreement with the statements. The average is expected to move closer to 1 as workforce planning continues to receive increasing emphasis. Among the 68 agencies responding, the most favorable score was 1.19. Ten agencies had scores of 1.5 or below, indicating strong agreement with the positive statements. The least favorable score was 3.09, and ten agencies also had scores of 2.5 or higher, indicating disagreement with the positive statements about workforce planning readiness.

Agencies' Needs

Current Staffing Issues:

The second part of the survey asked for narrative responses concerning staffing-related issues. One question asked for additional comments on current staffing. The various responses were consistent. Agencies reported few turnover and recruitment problems at the present time. However, a number of staffing concerns were expressed as a result of inadequate funding. Agencies mentioned that salaries are not competitive, that staff numbers are too small, and that funds are not available for training activities. Others noted that compensation tools are available

and that they are used in some cases, but that the small amount of available funding limits their use.

One agency mentioned that it has reorganized to redistribute its staff's responsibilities. Another agency noted that a new program has been added without adequate funding to implement it. An agency reported that it offers telecommuting and flexible schedules as recruitment incentives in Northern Virginia and the Hampton Roads area.

Future Staffing Issues:

Responses relating to future staffing reflected the fact that workforce planning is still evolving. Most agencies are beginning to address issues like succession planning, determining future staffing needs, and assessing future training needs.

Specific issues that were identified included:

- ✓ The limited number of current staff makes it difficult to implement knowledge transfer activities.
- ✓ One large agency reported that it is undergoing a major change in focus that will affect future staffing needs.
- ✓ An agency mentioned its reliance on wage employees as a source of future risk. Wage employees are hired in lieu of salaried employees in some agencies due to employment level controls on salaried workers. As the job market improves, these wage employees are more vulnerable to turnover due to a lack of benefits and low pay.
- ✓ Another comment was that there is no mechanism in place for identifying people for potential succession opportunities.

In response to staffing issues, one agency that expects to undergo future staff reductions has begun to survey employees about their retirement plans and to transition to new service delivery strategies that require less staff. Another innovative approach involves cross-training and instituting teams in a section where this approach is feasible.

Current and Future Training Needs:

Agencies identified a variety of current and future training needs for their employees. Some agencies identified specific occupations that need training, while others focused on the type of training that is needed by many employees. In many cases, the agencies reported that employees need training in the basic skills required for them to perform their jobs.

Another need that was reported frequently was information technology training. Agencies reported a wide variety of technology training needs, varying from keyboarding, to the use of Office products, to web design, to Oracle programming.

Several agencies mentioned the need for leadership, management, and supervisory training. Specific activities identified were project management, managing performance, teambuilding, facilitation, mentoring, succession planning, conflict resolution, and communications. Other soft-skill training needs that may help any employee's performance include time management, decision-making, customer service, and change management.

Some additional needs include Spanish language, English as a second language, and sign language. Other identified needs are for first aid, business writing, contract management, and for training in administrative functions such as purchasing, human resource management, budgeting, and payroll.

Current Recruitment Difficulties:

Agencies reported a variety of occupations for which employees are currently difficult to recruit. Several of the responses indicated that specialists in the agency's programs are hard to attract. Among occupations that cross agency lines, the largest number of agencies (6) reported problems recruiting trades workers. Five agencies identified either nursing or training and education positions as being hard to fill. Four agencies mentioned housekeeping workers and three mentioned therapists.

It is notable that corrections officers are difficult to recruit in some areas of the state. Direct care worker positions are also difficult to recruit. These two occupational areas are not utilized by a large number of agencies, but they are employed in large numbers in those agencies that hire them. Therefore, hiring problems for these jobs must be monitored closely.

Key Positions Not Currently Funded:

State agencies reported a variety of occupations for which they need to fill positions that are not currently funded. Many of the jobs listed are for positions related to specific agency programs. Two of the state museums reported the largest numbers of positions needed—25 and 28, respectively.

The most prevalent responses were that more administrative support positions are needed. Human resources, financial, policy and planning, information technology, and purchasing positions were mentioned, along with more generic responses such as administrative support. Another occupation with a large number of agencies reporting was training and education; seven agencies mentioned these jobs. Other occupations with more than one agency response were engineers and architects, security, housekeeping, nursing, and trades.

Other Staffing Concerns:

The largest number of responses in the "other concerns" category related to the number of positions and its effect on employees' workload. Fourteen agencies mentioned this concern. The second and third most prevalent responses were inadequate budgets, (12 agencies) and low salaries, or a lack of performance increases (11 agencies).

Some agencies mentioned the high number of employees who are eligible for retirement or who will be soon. Other notable concerns were the financial effect of the recent changes to the Fair Labor Standards Act (FLSA) regulations, the reliance on long-term wage employees, high turnover, and the very large span of control for some managers.

High Risk Roles:

The final survey question asked agencies to identify job roles that are at risk due to high turnover being likely, positions being hard to fill, or a lack of readiness to replace workers anticipated to leave in the near future. The responses to this question varied widely. In fact, 38 of the 56 career groups and 93 of the 290 roles were represented. The number of roles reported is approximate because some of the responses were more general or more specific than current role groupings. In a few cases, former class titles were reported.

Based on the number of times each role appeared and considering the number of positions assigned to the role, the roles that appear to be most at risk are indicated below:

TABLE 23		
Job Role	Number of Agencies Reporting	Number of Employees in Role June 30, 2004
Housekeeping and Apparel Worker I	7	1,556
Administrative and Office Specialist III	6	7,917
Program Administration Specialist II	6	795
Registered Nurse I	5	666
Trades Technician III	5	1,281
Administrative and Office Specialist II	4	3,600
Information Technology Specialist II	4	1,145
Registered Nurse II/Nurse Practitioner I/ Physician's Assistant	4	716
Environmental Specialist II	3	666
Law Enforcement Officer II	2	1,290
Total		19,632

The total of 19,632 employees in these ten roles represent 27.5% of the 71,363 classified employees on June 30, 2004. They include a wide array in terms of the type of work performed as well as the level of training and education required for such employment. For some of these roles, there are additional employees in closely related roles that were also mentioned as being at risk. For example, four agencies mentioned Trades Technician I and II as being at risk. An additional 375 trades workers are in there two roles.

AGENCY PLANS

Since 1998, agencies have had a Workforce Planning Guide and other workforce planning tools to assist them. Workforce planning initiatives were managed independently by the agencies until 2003. In 2003, Governor Warner added workforce planning as a management objective for state agencies, subjecting workforce planning activities to central review for the first time.

In September 2003, DHRM issued the state's first workforce planning policy. It required agencies to prepare workforce plans, with the goal of helping agencies to identify and respond to staffing challenges. Agencies were required to submit plans to DHRM no later than August 1, 2004. Sixty-one plans have been received as of this writing. Excluding higher education institutions, only four agencies with a significant number of classified employees have failed to submit plans.

The policy outlines the components that workforce plans should include. In addition, the DHRM website has a number of resources to assist agencies in this effort, including a workforce planning guide, a workforce plan template, and demographic and transaction reports for the state and for each agency. The agency plans should assess current and future staffing needs, list plans for closing any skill gaps that are identified, and include a provision for on-going review.

DHRM has reviewed the plans that agencies have submitted to determine what prevalent staffing issues are and what strategies agencies plan to employ to address them. The plans reflect the differences in size, complexity, and culture of the various state agencies. However, they were, generally, successful in identifying the issues and strategies.

Staffing Issues

The issues and strategies that agencies identified were tallied. In reviewing the results, it was not assumed that an agency does not have an issue or will not use a strategy simply because they are not listed. Workforce plans are not simply checklists, so it is likely that if two agencies have the same plans, they will have reported them somewhat differently. DHRM's review just intended to summarize the various issues and strategies that have been identified.

Another issue is that agencies are at different stages of implementing staffing strategies. For example, where two agencies cite exit interviews as a strategy, one agency may be considering that as a future way to help to resolve staffing problems, while the second agency may have a comprehensive exit interview process currently in place.

Agencies identified 52 staffing issues. The issue most frequently identified (26 plans) is concern about the agencies' decreased or inadequate number of employees. Second in frequency (25 plans) is that demand for agency services has increased. Issues identified in eight or more plans are shown below: (See Appendix A for complete list of issues)

TABLE 24	
Staffing Issue	Number of Agencies Reporting
Staff number has dropped or more are needed	26
There is an increased demand for agency services	25
New policies, programs, or laws impact work	19
Salaries are too low compared with job requirements or market	19
New positions need to be filled	15
Knowledge or certification requirements of staff are increasing	15
Funds to operate programs are needed	14
Staff are stretched too far	13
There is a need for information technology training	12
The agency needs to keep pace with evolving technology	11
Management and technical training are needed	10
The agency has hard-to-fill positions	9
Homeland security affects agency operations	8

There are two undercurrents in the issues, the aging of the workforce and the lack of adequate resources. Many of the additional issues that were reported by fewer agencies reflected these undercurrents. These are serious staffing concerns that impact agencies' ability to carry out their missions.

Agency workforce plans also discussed jobs at risk. Occupations that were mentioned included engineering positions. Charge positions will require Professional Engineer licenses by 2010. Department of Social Services licensing positions are at risk due, in part, to the discontinuation of a training program formerly available through the Licensing Institute. Vocational evaluators in the Department of Rehabilitative Services will be required to be certified or have a Master's degree by 2008. Epidemiology positions in the Department of Health are at risk due to a lack of formal academic training programs. The Department for the Blind and Vision Impaired mentioned orientation and mobility instructors as hard-to-fill. Nursing and information technology jobs were mentioned in the agency plans as well.

Staffing Strategies

Agencies identified 116 staffing strategies, many of which were related. Several strategies were related to two areas—recruitment and training. Among the most prevalent responses were the use of the recognition program and the use of compensation tools. These are to be expected since they are key components of the state's compensation program. However, in some cases, agencies desire to use these tools more effectively but lack the funds to do so. (See Appendix B for complete list of strategies)

Strategies mentioned by fourteen or more agencies are listed below:

TABLE 25	
Staffing Strategy	Number of Agencies Reporting
Recognition Program	35
Cross-Training	25
Compensation Tools	23
Information Technology Solutions Expanded	21
Mentoring	21
Inventory of Competencies or KSA's That Staff Need	19
Identification of Key Positions	19
Provide Employees with Educational Assistance	19
Web-Based Recruitment	18
Paid or Unpaid Internships	18
Reorganization of Agency	16
Training Needs Assessment	15
Establish Career Ladders or Paths	15
Allow Employees to Telecommute	15
Provide In-House Training (Including IT Training)	15
On-the-Job Training	15
Recruitment Targeted to Professional Organizations	14

Other ideas that were mentioned frequently included flexible hours, job-sharing, alternate work schedules, and work life improvement programs to improve employees' morale and retention. Outsourcing, redeploying staff, using volunteers, and establishing formal trainee programs are examples of other ways that agencies will try to accomplish their missions with limited resources. In some cases, agencies reported that they have put initiatives on hold due to resource limitations.

Agencies report a wide variety of ways to improve performance through training and development. These include the use of an internal training academy or university; supporting professional organization activities; bringing in experts to train staff; the use of distance or web-based learning; and training through seminars, conferences, and workshops.

Recruitment strategies include outreach to colleges, including predominately minority colleges; marketing the agency using its website or brochures; partnering with colleges to develop educational programs; recruitment of foreign workers for hard-to-fill jobs; and assigning dedicated staff to recruitment.

The various approaches that agencies have identified will help them to remain competitive for competent employees if funds are adequate to support their use and if educational establishments are successful in preparing the future workforce. Of course, agencies must also have the resources necessary for them to hire staff for new programs or to replace staff who leave.

APPENDIX A

AGENCY STAFFING ISSUES

The issues that agencies identified were tallied. Underlying concerns that affect all of these issues include the aging of the workforce and limited financial resources.

<u>STAFFING ISSUES.</u>	<u>CODES OF AGENCIES IDENTIFYING ISSUES IN THEIR PLANS</u>
Staff number has dropped or more are needed	202, 301, 122, 957, 199, 423, 148, 960, 402, 239, 238, 201, 999, 232, 129, 411, 136, 702, 942, 701, 262, 841, 223, 765, 601, 245
There is an increased demand for agency services	301, 152, 122, 194, 957, 403, 127, 602, 423, 402, 239, 425, 163, 999, 405, 325, 165, 181, 136, 702, 841, 262, 223, 140, 245,
New policies, programs, or laws impact work	301, 505, 957, 226, 154, 199, 127, 602, 423, 173, 165, 411, 181, 136, 702, 262, 501, 765, 601
Salaries are too low compared with job requirements or market	505, 152, 403, 409, 602, 423, 148, 402, 238, 999, 720, 165, 165, 411, 181, 136, 702, 701, 501
New positions need to be filled	505, 194, 199, 127, 402, 239, 425, 238, 999, 165, 136, 701, 140, 765, 245
Knowledge or certification requirements of staff are increasing	505, 194, 154, 199, 402, 132, 201, 999, 720, 262, 765, 501, 440, 601, 245
Funds to operate programs are needed	202, 199, 403, 423, 425, 238, 999, 165, 129, 411, 181, 702, 942, 262
Staff is stretched too far	423, 148, 239, 238, 132, 232, 165, 411, 942, 262, 129, 765, 245
There is a need for information technology training	957, 199, 423, 132, 962, 999, 165, 129, 411, 702, 262, 765
The agency needs to keep pace with evolving technology	202, 301, 505, 226, 154, 423, 960, 132, 999, 720, 411
Management and technical training are needed	957, 199, 182, 602, 750, 423, 148, 239, 132, 765
The agency has hard-to-fill positions	440, 325, 411, 702, 262, 223, 140, 501, 601
Homeland security affects agency operations	301, 194, 154, 127, 402, 140, 765, 601
High/unique skill requirement for staff	202, 226, 602, 750, 423, 148, 239
Funds not available for R & R, pay practices	957, 148, 402, 720, 165, 411, 181
Pay increases (performance) (funded) too infrequent	202, 301, 403, 720, 232, 701
Few/inadequate training/education programs in field	148, 239, 702, 262, 140, 601
Funds for educational support/training needed	152, 720, 165, 129, 181, 136
Applicant shortage	750, 425, 720, 140, 501
Turnover rate is high for some jobs	999, 720, 161, 601, 245
Bilingual staff/resources needed	182, 720, 262, 765
Limited recruitment budgets	154, 423, 702, 262
Supv. mgt, leadership training needed	999, 165, 411, 262
New hires leave after being trained	750, 423, 720, 140
Salary compression	403, 411, 701
Poor applicant pools	154, 132, 262
Lack of redundant jobs	423, 262, 140
Documentation of work procedures needed	301, 999
Limited funds to compete for workers	202, 720
Funding limits planning, knowledge-transfer activities	301, 505
Reorganization needed	957, 501
Future loss of management skills	199, 403
Uncertainty of future VITA role	122, 181
Administrative functions - increasing complexity & demand	132, 165
Funds to correct alignment problems needed	960, 132
Backlog of work	202
Cross-training and mentoring aren't feasible w/ workloads	423
Disability program - ties up positions in small agency	239
Erosion of benefits	403
Few minority workers in field	702
Increased reliance on wage employees	960
Lack of interest in promotional opportunities	411
Layoffs have affected morale and staffing	154
Near-term retirements anticipated	957
Staff requirements decreasing	182
Support functions being done by mgt and prof staff	262
Threat of mass retirements	602
Training programs mandated	765
Training time for new employees is long	140
Trend toward job mobility leads to turnover	262
Work is not attractive to many applicants	720
Workload prevents training	425

APPENDIX B

AGENCY STAFFING STRATEGIES

Agencies' strategies for dealing with staffing issues are listed below. Agencies are at different stages of implementing these staffing strategies.

<u>STAFFING STRATEGIES</u>	<u>CODES OF AGENCIES WHOSE PLANS IDENTIFY STRATEGIES</u>
Recognition program	505, 152, 122, 226, 154, 199, 403, 409, 602, 750, 423, 402, 239, 425, 163, 132, 999, 405, 720, 440, 173, 325, 165, 157, 222, 181, 702, 701, 262, 161, 223, 140, 501, 601, 245
Cross-training	202, 505, 122, 152, 957, 226, 602, 960, 402, 239, 163, 238, 132, 999, 440, 173, 129, 222, 702, 942, 841, 262, 140, 765, 245
Compensation tools	202, 301, 154, 199, 182, 148, 402, 239, 132, 999, 405, 720, 440, 325, 165, 129, 222, 702, 223, 140, 501, 601, 245
Information technology solutions expanded	226, 154, 960, 163, 132, 999, 720, 232, 173, 165, 129, 411, 181, 702, 701, 262, 161, 223, 140, 765, 601
Mentoring	202, 301, 122, 154, 409, 750, 402, 239, 238, 999, 173, 165, 222, 702, 942, 262, 140, 501, 765, 601, 245
Inventory of competencies or KSA's that employees need	301, 154, 199, 602, 423, 148, 960, 132, 720, 232, 165, 157, 129, 136, 702, 701, 501, 765, 601
Identification of key positions	127, 960, 239, 163, 999, 232, 440, 173, 325, 165, 129, 702, 701, 841, 223, 140, 501, 765, 601
Provide employees with educational assistance	202, 226, 154, 602, 425, 238, 132, 999, 720, 165, 942, 262, 841, 161, 223, 223, 501, 601, 245
Web-based recruitment	202, 226, 154, 403, 423, 425, 999, 440, 165, 156, 181, 702, 942, 262, 841, 223, 601, 245
Paid or unpaid internships	202, 154, 199, 602, 750, 423, 402, 425, 238, 173, 165, 181, 702, 942, 161, 262, 501, 245
Reorganization of agency	202, 301, 505, 154, 199, 182, 409, 239, 132, 405, 165, 129, 701, 501, 765, 245
Training needs assessment	505, 999, 173, 129, 411, 222, 181, 136, 701, 262, 161, 223, 501, 765, 601
Establish career ladders or paths	152, 226, 154, 403, 402, 425, 720, 440, 157, 411, 161, 262, 140, 501, 601
Allow employees to telecommute	202, 154, 199, 423, 238, 201, 720, 440, 165, 702, 942, 262, 223, 140, 601
Provide in-house training (including IT training)	301, 505, 122, 403, 750, 148, 960, 999, 440, 173, 325, 165, 841, 161, 501
On-the-job training	505, 122, 152, 154, 602, 425, 238, 222, 942, 841, 161, 223, 501, 601, 245
Recruitment targeted to professional organizations	423, 148, 239, 425, 999, 165, 156, 129, 702, 942, 841, 223, 140, 245
Training and development (including orientation)	202, 402, 239, 132, 962, 999, 129, 411, 702, 262, 501, 765, 601
Training - computer-based/distance	154, 750, 999, 720, 165, 181, 702, 701, 161, 140, 501, 765, 601
Recruitment at colleges	148, 402, 425, 238, 999, 173, 156, 702, 942, 262, 223, 601
Training for mgt/leadership - current or prospective	226, 201, 720, 173, 165, 222, 702, 701, 161, 262, 140, 501
Marketing the agency - brochure or website	202, 301, 152, 182, 154, 402, 238, 720, 156, 411, 262, 161
Flexible hours offered	202, 199, 423, 999, 440, 173, 702, 161, 223, 140, 601, 245
Hire retirees (including former agency employees)	154, 239, 238, 201, 720, 173, 129, 702, 942, 262, 223
Recruitment outreach - minority schools/newspapers	423, 440, 173, 325, 156, 157, 702, 262, 223, 601, 245
Training by seminars, conferences, workshops	226, 402, 425, 999, 440, 165, 942, 841, 140, 601, 245
Employee survey – (training needs, retirement plans)	199, 182, 423, 720, 173, 325, 222, 136, 702, 262
Job fairs	202, 152, 602, 402, 425, 238, 999, 156, 942, 245

APPENDIX B

AGENCY STAFFING STRATEGIES

(Continued)

<u>STAFFING STRATEGIES</u>	<u>CODES OF AGENCIES WHOSE PLANS IDENTIFY STRATEGIES</u>
Succession planning	960, 402, 999, 129, 181, 702, 701, 841, 765
Partnering w/ colleges to develop core	
Curricula and/or to promote programs	199, 425, 238, 720, 173, 156, 942, 140,
Volunteers	154, 425, 238, 720, 165, 156, 181, 942
Work functions outsourcing	202, 505, 154, 960, 701, 223, 501, 765
Training academy/university for employees	403, 425, 701, 156, 161, 140, 501, 409
Job-sharing	154, 402, 425, 238, 440, 702, 942, 245
Exceptional incentives	750, 201, 173, 702, 942, 161, 223, 245
Work assignment rotation	122, 154, 223, 425, 238, 201, 942, 501
Promotions from within	202, 403, 402, 239, 425, 238, 841
Communications w/ employees improved	957, 154, 602, 222, 702, 701, 245
Alternate work schedules approved	402, 425, 238, 999, 165, 942
Marketing through public, media contacts	402, 409, 602, 720, 702, 765
Wage employment increased	226, 173, 165, 129, 702, 161
Training by state, feds, colleges, prof orgs	505, 152, 409, 402, 325, 140
Exit interviews	152, 156, 181, 702, 601, 245
Partnership w/ technical schools, VCCS	199, 425, 238, 720, 942
Trainee program (formal)	194, 199, 262, 501, 601
Marketing value of benefits to employees	
& potential employees	199, 238, 720, 702, 262
Recognition & reward bonuses	194, 226, 423, 239, 201
Re-deploy underutilized positions	301, 154, 960, 132, 201
Recruitment area expanded	505, 402, 239, 201, 156
Networking/recruiting through colleges	202, 226, 602, 702, 245
Work life improvement	301, 154, 201, 262, 245
Organization memberships paid/supported	202, 962, 165, 223, 245
Development of employees (including mgt, supv)	201, 720, 440, 245
Staff added, requested, or planned	182, 402, 425, 132
Learning management system	161, 501, 601
Teams to improve operations	409, 222, 245
Funding increase requested	402, 999, 411
Work initiatives put on hold	202, 199, 238
Training funds set aside	201, 262, 223
Training - bilingual/English as a second language	999, 720, 165
Training for IT staff	194, 226, 161
Recruitment outside agency expanded	154, 239, 156
Certification program - internal	194, 720
Education on-site	720, 702
Educational needs identified	301, 602
Programs/facilities eliminated	701, 262
Public/private partnerships	202, 262
Apprenticeship program	425, 238
Training - annual requirement for employees	411, 223
Logo shirts provided to employees	226, 222
Recruitment continuously	403, 161
Marketing advertisements - buses, billboards	
Public service announcements, posters, stickers	720, 156
Training outsourced - IT	423, 136
Celebrate successes	245
Job allocations reviewed	226
Paperless office goal	226
Competitive offers approved	750
Funding increases - partnerships	720
Internal team to oversee critical recruitment activities	720
Library resources for employees	720
Marketing careers in agency to clients	702
Marketing agency to stakeholders	701
Recruitment process review	701
Training for critical, high turnover positions	701
Recruitment - foreign workers	601
Blackberry communications for efficiency	505

APPENDIX B

AGENCY STAFFING STRATEGIES

(Continued)

<u>STAFFING STRATEGIES</u>	<u>CODES OF AGENCIES WHOSE PLANS IDENTIFY STRATEGIES</u>
Educational assistance in exchange for tenure agreement	501
Interviews based on competencies/behaviors	501
Retirement trends (eligible vs. actual) analyzed	501
Training tenure agreement	411
Employee empowerment	409
Recruitment by addition of full-time recruiter	403
Training academy for management	403
Project leadership used to develop mgt skills	262
Recruitment evaluated – use of applicant tracking system	262
Training - bring in experts to train	239
Reduced public service hours	202
Hiring generalists for specialty training	201
Address employee performance problems	201
Training effectiveness evaluated	201
Certification efforts supported	194
Computer literacy requirement to improve selection	194
Skill-based pay	194
Recruitment and selection training for management	182
Staff reductions planned	182
High turnover jobs monitored	181
Recruitment - DSS referrals	181
Business process review	161
Part-time & “Q” employees used	161
Marketing gifts	156
Double-filling jobs	154
Replacing retirees supports culture change	154
Work sample testing to improve selection	152
Work processes analyzed and streamlined	132
Work processes documented	132

APPENDIX C

CURRENT HUMAN RESOURCE PROGRAMS

The Commonwealth has comprehensive and flexible human resource management programs and policies currently in place to support high performance by its agencies and their employees. Included are programs addressing recruitment, training, performance, discipline and rewards. The programs are highly decentralized so that agencies are able to respond quickly when staffing challenges are identified.

RECRUITMENT

Since 2000, greater emphasis has been placed on developing strategies for attracting and retaining a highly qualified and diverse workforce. Virginia state agencies are encouraged to stay abreast of current labor market trends and best practices in recruitment in order to remain a viable and attractive employer to the general public. DHRM implements statewide employment initiatives and provides policy guidance, consultation, and technical support to Virginia's decentralized employment program.

- ❑ State agencies are encouraged to develop a recruitment philosophy and strategy that supports its business needs, and to use their individual characteristics to develop and market an "employment brand" to current and potential employees.
- ❑ Employment strategies for meeting the future needs of government are an integral component of agency workforce plans.
- ❑ DHRM has initiated the Virginia Branding Project to promote state government as an employer of choice. The Virginia Branding Project is a collaborative effort between DHRM, the statewide Recruitment and Retention Advisory Council, Virginia Commonwealth University, and Monster. VCU graduate students developed a survey to determine the public perception of state employment, developed a marketing campaign for recent graduates, conducted reputation management inventories of state agencies, and completed focus group research for new hires and long term employees. Monster volunteered to assist the Commonwealth on the recruitment of hard to fill jobs, and the results will be shared with other states as part of a National Association of State Personnel Executives (NASPE) pilot.
- ❑ A 2002 Executive Order on hiring guidelines continues to ensure that human and fiscal resources are utilized efficiently and effectively during a period of budgetary constraints without adversely affecting the delivery of essential government services.

- ❑ A 2002 Executive Order renewed the Commonwealth's commitment to veterans' preference in hiring by directing state agencies to identify opportunities for improving employment services to veterans. This resulted in a joint strategy among agencies for attracting more veterans to the Commonwealth that includes quantifiable performance benchmarks to ensure the highest possible degree of service delivery.
- ❑ DHRM's Veterans Outreach Council serves as a forum where human resource professionals can establish and foster effective relationships with veteran groups throughout the state, to learn more about customer needs and to communicate available employment opportunities, resources and services within state government.
- ❑ DHRM's veterans' web page was established to provide information about employment opportunities and assistance, veteran services, and other resources related to veterans and their families.
- ❑ Veterans outreach activities include cultivating relationships with veteran groups, participating in job/career fairs, registering with employment organizations that target veterans and their families, and providing online policy and benefits information for employees called to active military duty.
- ❑ DHRM's "Virginia Jobs" web page provides direct access to "Hot Jobs" and all other vacancies in Executive Branch agencies. The web page describes state benefit programs, the advantages of working for the Commonwealth, provides instructions on the application process, and offers a jobs information mailbox for job seekers who need assistance or information on employment opportunities in state government.
- ❑ The statewide Recruitment and Retention Advisory Council, with agency representation from across all Secretariats, was established to provide an avenue for human resource professionals to share recruitment best practices in state government.
- ❑ The DHRM Career Center provides career assessment, career development, job search, and job counseling services to state employees and the public who desire information about employment opportunities within state government.

TRAINING AND DEVELOPMENT

State agencies have training and development programs to enhance the abilities and career potential of their employees. Training needs of each employee are identified as a component of the annual performance planning process. Agencies typically support these training activities to the extent that available funding allows.

DHRM supports these programs through a variety of activities. Since 2000, DHRM's Training Program has transitioned from a central source of conventional training and development services to one that provides a broad range of opportunities designed to promote

professional and personal growth for Virginia's high performance workforce. Training gained importance under the Compensation Reform program that was legislatively approved in 2000, and is delivered to employees by a blend of centralized, decentralized, and outsourced services.

- ❑ Diverse delivery channels are used to reach the greatest number of employees possible. DHRM offers training in the traditional classroom setting and via teleconferencing and audio/video conferencing. A statewide Learning Management System (LMS) is in development. Custom training programs are designed and delivered on site upon request.
- ❑ The Virginia Certified Public Manager Program (VaCPM) is a broad-based management development program created in collaboration with Virginia colleges and universities. VaCPM provides public professionals with training to maximize the effectiveness of government organizations. As a part of a national consortium, this certificate program offers practitioner-oriented course work that builds upon management training programs offered through agencies, colleges, and universities.
- ❑ Virginia was one of the first states in the nation to develop an internal certification for its state HR professionals. The purpose of the Human Resource Institute is to provide all Human Resource professionals within the Commonwealth of Virginia, and other government entities with a vehicle through which they might enhance their professional knowledge, skills and abilities. This institute serves as a means for career development and career advancement for human resource professionals.
- ❑ DHRM is currently spearheading a collaborative effort to develop statewide leadership criteria and consolidate training for all its supervisors and managers. This training curriculum will give a consistent message throughout the Commonwealth, reduce liabilities traditionally associated with human resource management, and give all agencies accessibility to tuition-free management training at a time when financial resources are limited.
- ❑ Virginia was the first state in the nation to centrally offer the Society of Human Resource Management (SHRM) Learning System to its employees statewide. We have broadcast these classes to various areas of the state, and are in the process of partnering with the Virginia Department of Transportation for a videoconferencing arrangement that will allow access statewide.
- ❑ A primary goal of the training and development program is to establish collaborative relationships that pool statewide resources in order to deliver training to more employees at a reduced cost. To this end, DHRM is in the process of consolidating duplicative state training systems through a Learning Management System (LMS). Rather than have different state agencies utilizing different training systems, the LMS will provide the agencies with a comprehensive, streamlined process that will tie together the various aspects of training: tracking competencies, certifications and licensures, expenditures, providing portability of individual training records and

allowing access to “e-learning” opportunities. Twenty-nine (29) agencies examined the technical, financial and administrative aspects of an LMS in order to select one that would be flexible enough to provide each with customized training programs with standardized reporting capabilities. Agencies have pooled financial resources to purchase the system, resulting in an estimated savings of \$5 million compared with the cost of agencies’ purchasing separate systems.

- ❑ DHRM’s Office of Workers' Compensation, in partnership with the Virginia Commonwealth University (VCU) School of Business and the Department of Treasury Division of Risk Management, established the Virginia Risk Control Institute (VRCI). VRCI includes certificate programs with college credits that are designed to assist state agencies and designated local government agencies to better control workplace accidents, injuries and occupational health exposures.
- ❑ DHRM reinstated the statewide annual human resource meetings that were discontinued in the mid-1990s. The meetings offer concurrent sessions on topical issues, state policy updates, technical and soft-skills training, and keynote presentations by nationally recognized experts and state public officials.
- ❑ DHRM currently provides open-enrollment courses for managers, supervisors and HR professionals at no cost except for a \$10 per day fee for materials.

PERFORMANCE MANAGEMENT

Action by the General Assembly in 2000 implemented compensation reform, which resulted in major reforms to the employee performance management system.

- ❑ The philosophy of the Commonwealth’s performance management program is “to reward employees for their work contributions in a fair and equitable manner.”
- ❑ The underlying principles of the system are to identify individual and/or team objectives and measures linked to the agency’s mission and strategic objectives; promote employee and career development through creating an environment of learning and quality improvement through training, coaching, counseling and mentoring; provide open and honest periodic evaluations of employees’ performance; and administer financial rewards based on distinctions in performance.
- ❑ The Performance Planning and Evaluation program is designed to increase employee accountability and enable significant flexibility in how agencies plan their performance management systems to meet unique organizational needs.
- ❑ Performance management training is mandatory for state supervisors and managers; the emphasis is on communications, fairness, and equity in rating practices.

- ❑ The performance rating system has three designated levels of performance (Below Contributor, Contributor, And Extraordinary Contributor). Agencies have the flexibility to use their own rating level systems and then convert the results to meet the state's three levels for salary administration purposes.
- ❑ Employees may conduct self-evaluations and upward feedback on their supervisors' performance.
- ❑ Procedures document extraordinary contributions as well as substandard performance issues by employees during the yearly cycle. Management is encouraged to recognize exemplary performance throughout the rating cycle and immediately identify poor, substandard or unacceptable performance and identify strategies for improvement.

DISCIPLINE

Because high performance underpins the Commonwealth's effectiveness, policies are in place to address situations where behavior and performance needs improvement.

- ❑ An employee's salary must be reduced at least 5% if he/she is demoted, transferred or has his/her duties reduced as a result of a Standards of Conduct disciplinary action.
- ❑ The Standards of Conduct policy is coordinated with the Performance Planning and Evaluation policy. Management can issue employees the Needs Improvement/ Substandard Performance form as well as a Written Notice form if it is determined that the offense/infraction warrants the written notice.
- ❑ Participating employees who are suspended without pay for disciplinary reasons do not have access to the Virginia Sickness and Disability Program disability benefit during the period of suspension.
- ❑ Disciplinary actions will feed into DHRM's EEO Assessment Tool, which includes all of the statistical applications sanctioned by the United States Supreme Court and the federal Equal Employment Opportunity Commission for determining whether agencies' employment practices result in adverse impact against protected groups. This system will help ensure there is no disparate impact against protected groups in applying the Standards of Conduct policy within state agencies.

BENEFITS AND OTHER POLICIES

The Commonwealth's policies support the continued employment of workers who are eligible, or nearly eligible, for retirement.

- ❑ The Commonwealth's policy on Hours of Work has been revised so that employees who work 32 hours per week or more are considered full-time. This allows these employees to participate in the health benefits program. Previously, all employees were required to work 40 hours per week in order to participate. The new provision supports the continuing employment of workers approaching retirement by allowing them to work a less demanding schedule and to maintain a variety of benefits.
- ❑ State employees are eligible for a variety of leave programs, including annual, sick, family and personal, holiday, community service, military, educational, disaster assistance, bone marrow or organ donation, compensatory, and overtime leave. These programs help to maintain the Commonwealth's competitiveness and provide employees with relief from the demand for consistently high performance.
- ❑ Telecommuting and alternate work schedules serve the goal of reducing traffic congestion and pollution. At the same time, they are attractive to employees who do not want to, or are not able to, work the usual 40-hour weeks at the agency's location.
- ❑ The Virginia Sickness and Disability Program provides a safety net for employees who become sick or disabled. This is another component of a comprehensive benefits program that is essential to maintaining the competitiveness of the state's compensation program.
- ❑ DHRM is currently conducting a review of aspects of the Commonwealth's benefits programs to ensure that they are being used effectively and efficiently to promote a high performance workforce and a competitive compensation package.

REWARDS AND RECOGNITION

Following several years of research and planning by the Commission on Reform of the Classified Compensation Plan, the 2000 Virginia General Assembly passed legislation, and the Governor signed into law, a sweeping revision of the state's 40 year-old employee compensation system. The new performance-based compensation plan is modeled after the most successful "best practices" now being used by major corporations and governmental entities on the national, state and local levels.

- ❑ On September 25, 2000, the new compensation plan took effect, bringing with it new pay practices, greater opportunities for career growth within state government, greater management flexibility and accountability and new ways to recognize and reward exceptional employee performance and acquired skills.
- ❑ The 2000 program transitioned from a traditional graded pay plan consisting of 23 salary grades to a structure comprised of nine broad pay bands. The state's job structure was streamlined from over 1700 job classes to 256 roles. These changes increased agencies' compensation flexibility.

- ❑ Competitive differentials are available for select jobs based on local market conditions, allowing agencies to pay higher salaries where justified.
- ❑ Pay band maximums are expanded by 20 - 30% for positions in northern Virginia, where market conditions have consistently required the payment of higher salaries than in other areas of the state.
- ❑ Performance-driven pay practices allow variable pay increases rather than the fixed, prescribed adjustments of the past. These pay practices provide managers with a mechanism to financially reward employees for their organizational contributions without having to rely on the traditional practices of promotion and position reallocation.
- ❑ The 2000 program shifted from a position-based to a more person-based system with emphasis on employee career growth, and recognition.
- ❑ Agencies prepare Agency Salary Administration Plans, which allow agencies to tailor the compensation program to their culture and operational needs and communicate its compensation philosophy and pay administration policies to employees.
- ❑ The responsibility and accountability for compensation administration has shifted from DHRM to agency management.
- ❑ Accurate and reliable salary data is available on-line to assist agency managers in managing their employees' compensation.
- ❑ A monetary and non-monetary rewards and recognition program is available to agencies, allowing them to acknowledge and reward employees' contributions to the overall objectives of the agency and the Commonwealth. Agencies prepare plans to guide their use of the program.
- ❑ A centralized Employee Suggestion Program (ESP) provides employees with an opportunity to be rewarded for innovative and creative ideas for improving state government.

CAREER PLANNING

- ❑ Employees have the opportunity to participate in workforce planning. DHRM has developed Career Guides for many of the Commonwealth's critical occupations. The Guides help employees to assess and compare their education and technical expertise with state and industry standards, and to explore career paths in step with the future needs of state, federal, and private employers.

COMPENSATION EMPHASIS IN BUDGET

DHRM continues to promote the idea that employees' compensation should be considered a cost of doing business and should be funded accordingly. The awareness of employee salaries as a budget priority has increased and salary increases have been provided, although funding resources have been very limited in recent years.

- ❑ In 2002, employees with a performance rating of Contributor or Extraordinary Contributor had the choice of a one-time 2.5% cash bonus; ten additional days of paid leave; or five additional days of leave and a one-time 1.25% cash bonus.
 - ❑ State employees with a performance rating of Contributor or better received a 2.25% salary increase effective November 25, 2003.
 - ❑ Employees with a performance rating of Contributor or better will receive a 3% salary increase on November 25, 2004.
-

FAIRNESS AND EQUITY

Promoting fairness, equity, and equal opportunity is one of the Commonwealth's highest priorities. The policies and procedures that support this goal must be considered and applied in any programs such as succession planning, knowledge transfer, and mentoring. Selection of employees for participation in these programs must be non-discriminatory and based on the performance, competencies, and suitability of such employees.

DHRM's Office of Equal Employment Services (EES) provides technical guidance to state agencies concerning the process to determine whether there is a non-discriminatory business reason to justify the indicator of disparate impact. Office of Equal Employment Services notifies agencies that the **EEO Assessment Tool** reveals indicators of disparate impact "**red**" against minorities, females, veterans, or persons within the protected age group in one or more employment practices. Agencies are asked to submit within 30 days either a legitimate non-discriminatory business reason or a corrective action plan designed to eliminate the disparate impact.

DHRM designs and issues guidelines for a statewide Equal Employment Opportunity Plan to support the Governor's Executive Order Number Two (98). These guidelines:

- ❑ Require state agencies to develop an equal employment opportunity plan which, at a minimum, will consist of an EEO policy statement pledging to non-discriminatory practices, and fairness and equity in all aspects of human resources management;
- ❑ Describe the development of Affirmative Action Plans (AAP's) for those agencies (federal contractors or grantees) who are required to have traditional AAP's in place;

- ❑ Require all state agencies to maintain an EEO policy statement;
- ❑ Delay completion of the Statewide Equal Employment Opportunity Plan until the rollout of Phase III of the new web-based EEO Statistical Monitoring Tool; and
- ❑ Include updated information to support development of affirmative action plans, including Labor Market Availability Data from 2000 Census.

DHRM also designs and implements a statistical evaluation of state agencies' human resources management practices. Recent activities in this area include:

- ❑ Implementing an evaluation program and providing an annual training program for HR professionals on statistical methodologies, including the analysis of data describing applicant flow, selection, reallocations, employee performance evaluations, compensation, standards of conduct, involuntary terminations and training;
- ❑ Designing and deploying an interim data collection and analysis system; and
- ❑ Initiating appropriate corrective action(s) where problems or indicators of problems are identified.

Other recent fairness and equity activities conducted by DHRM include:

- ❑ Submitting an annual report to the Secretary of Administration on program activities;
- ❑ Introducing a training program, Statistical Methodologies for HR Professionals, designed to enhance state HR professionals' understanding of unlawful discrimination based on disparate impact and to provide information concerning "best practices" to address or to avoid instances of disparate impact;
- ❑ Initiating the Commonwealth's Equal Employment Opportunity Compliance Program, consisting of the EEO Assessment Tool, the EEO Calculator, and the Applicant Flow component, covering all of the statistical applications sanctioned by the US Supreme Court and the federal Equal Employment Opportunity Commission (EEOC) for determining whether agencies' employment practices result in disparate impact against protected groups;
 - The purpose of the EEO Assessment Tool is to ensure fairness and equity in all tangible employment practices, ensure compliance with all relevant federal and state laws/regulations, and provide agencies with the ability to review proactively their employment practices;
 - The EEO Calculator provides agencies with the means to assess potential disparate impact against minorities, women, older employees (40 yrs. and older), and veterans concerning the prospective implementation of certain employment practices, including layoffs, in order to ensure fairness and equity. The Applicant Flow component is designed to determine whether agencies' hiring practices result in disparate impact against the aforementioned groups;

- ❑ Issuing rulings, on behalf of the Director of DHRM, addressing appeals to hearing officers' decisions from either state agency representatives or state employees. Either party may file an appeal asserting that the hearing officer's decision is inconsistent with relevant DHRM's policies and procedures;
- ❑ Investigating complaints of discrimination consisting of allegations of discrimination. Standard for case closure is 120 days.

DHRM has also designed and implemented a comprehensive EEO outreach and communications program. The agency conducts Open Enrollment training courses covering topics of Legal Recruitment and Selection Practices, Sexual Harassment Prevention (Supervisory and Non-Supervisory Employees), ADA for Managers/Supervisors, and Fundamentals of EEO Laws.

CONSTRAINTS

Virginia's human resource management system is designed to attract and retain qualified employees and to motivate them by rewarding sustained performance. It provides agencies with flexibility to support their hiring, developing, and managing their employees. However, there are constraints to these activities.

Funding

Like much of the nation, Virginia's primary obstacle, and human resource's greatest challenge, is funding. Financial constraints have delayed the implementation of variable performance increases under the current compensation program. They were also the primary reason for the failure of the previous Incentive Pay program. Much effort is devoted to developing innovative solutions that enable the Commonwealth to continue to attract and employ a highly qualified and diverse workforce. Monetary and non-monetary awards must be used creatively, enabling agencies to continue to recognize workforce accomplishments within budgetary allowances.

Lack of available skill sets

The labor market also presents challenges for certain critical jobs when there is strong competition from the private sector (e.g. nurses and scientists) or when skill sets are not available because of the unique nature of some government functions. Labor markets often change quickly and these challenges will increase as the supply of skilled workers diminishes.

Public Service Image

It may be difficult to overcome the public perception of government as the employer of last resort, rather than the employer of choice. State agencies must portray an image that is

positive to current and potential employees while not appearing to be excessive in spending public funds.

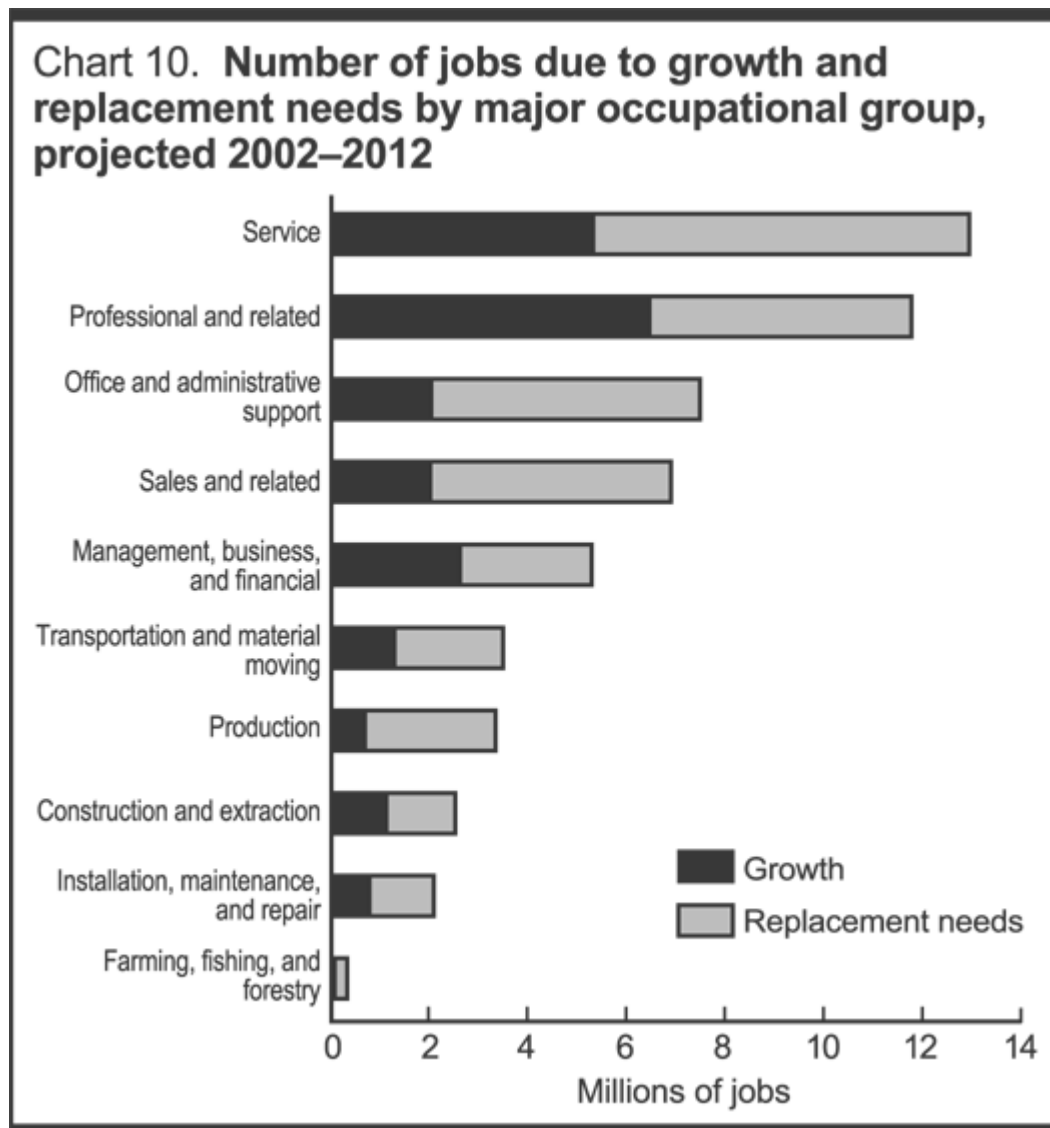
Perceived Limited career and salary growth

As with other public employers, there is a perception that salary growth and career opportunities are limited. This perception has resulted from inconsistent funding for employee salary increases and from the position of salaries being generally below the market rate paid by other employers.

APPENDIX D

NATIONAL TRENDS

In its publication “Tomorrow’s Jobs,” The Bureau of Labor Statistics (BLS), reports that the demand for service professional workers will continue to rise at a high rate through 2012. Demand for workers in other occupations will rise as well, with more than one-half of the increased demand being for replacement workers. The chart below is reprinted from the BLS publication:



The BLS also reports the fastest growing occupations during the 2002-2012 period. Because the state’s workforce is so diverse, most of the occupations on the list are used by state agencies. Non-government employers also use many of these jobs, so state agencies will need to be competitive for these jobs. The BLS charts below shows the occupations expected to have the greatest percentage (Chart 7) and numerical (Chart 8) growth through 2012.

Chart 7. Percent change in employment in occupations projected to grow fastest, 2002–2012

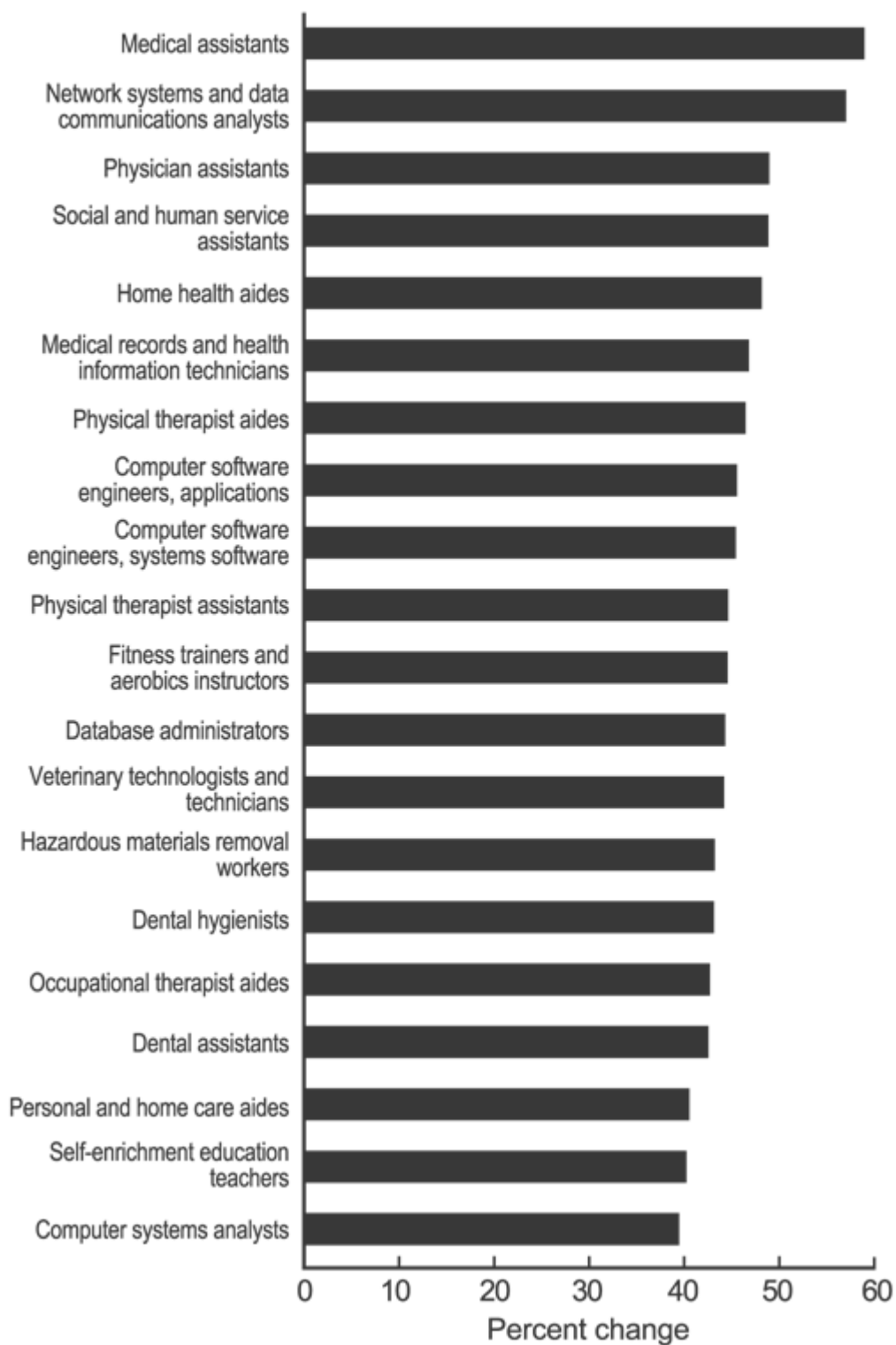
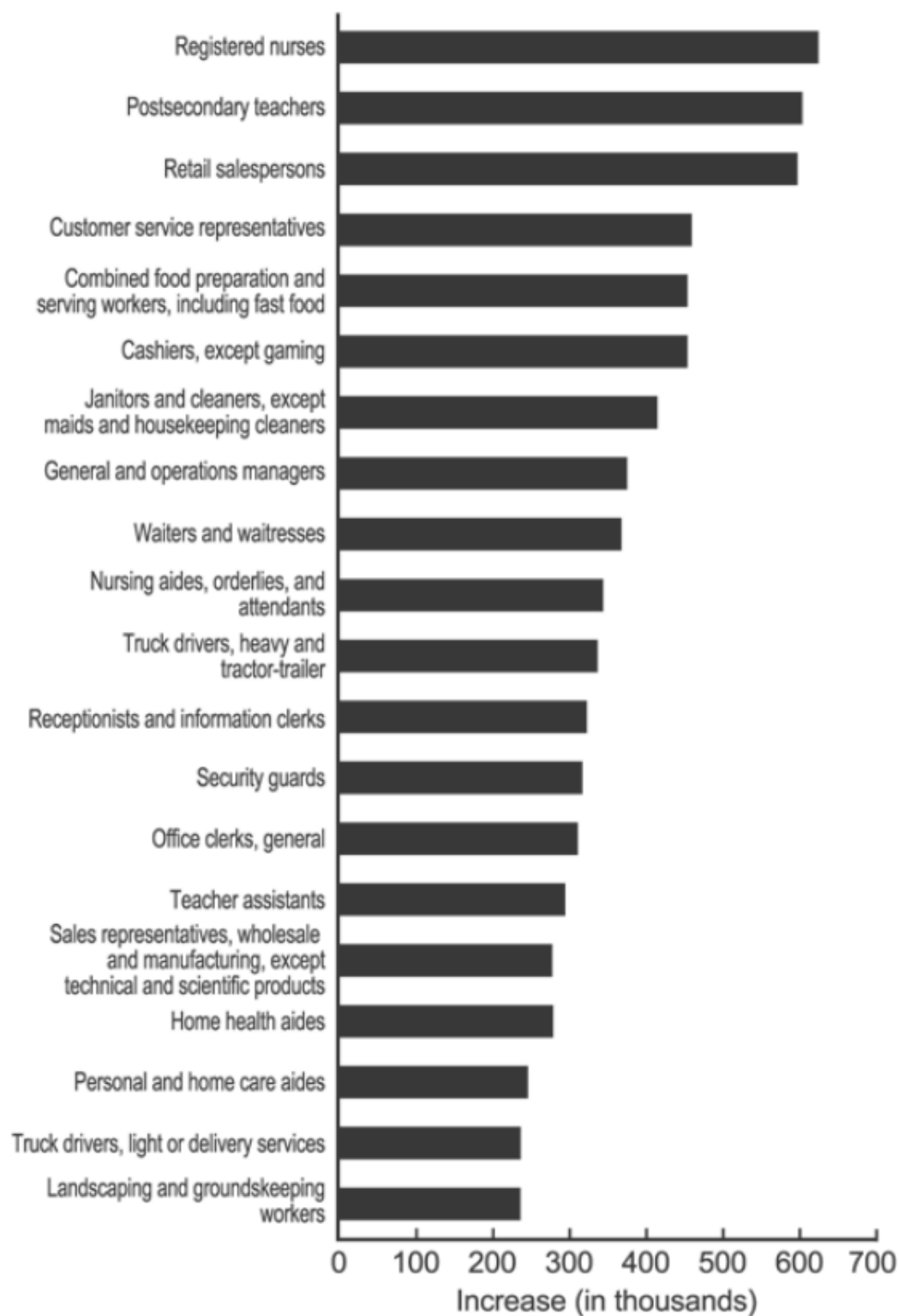


Chart 8. Occupations with the largest numerical increases in employment, projected 2002–2012



BLS reports that government employment will increase between 2002 and 2012, though at a slower rate than during the 1992-2002 period. According to BLS:

Between 2002 and 2012, government employment, including that in public education and hospitals, is expected to increase by 11.8 percent, from 21.5 million to 24 million jobs. Growth in government employment will be fueled by growth in State and local educational services and the shift of responsibilities from the Federal Government to the State and local governments. Local government educational services are projected to increase 17.5 percent, adding over 1.3 million jobs. State government educational services also are projected to grow 17.5 percent, adding 388,000 jobs. Federal Government employment, including the Postal Service, is expected to increase by less than 1 percent as the Federal Government continues to contract out many government jobs to private companies.

The BLS report also reflects the aging of the workforce. Between 2002 and 2012, the only age groupings that will increase as a percentage of the workforce are those 45-54 years old and those 55 and older. The BLS age distribution chart is shown below.

